FINANCIALTIMES

Friday April 19 1991

World News

Gorbachev

Japanese aid

fails to

secure

**Business Summary** 

#### Italy's triple-A debt rating placed at risk

Soviet hopes that President
Mikhail Gorbachev, on his first
trip to Japan, might secure
a new source of aid for his alling economy ended in disappointment despite late-night
efforts and no fewer than six
summit meetings with Mr
Toshiki Kaifu, the Japanese
prime minister.

A joint communique only committed the two parties to further talks on the territorial dispute over the four Kurile islands, or Northern Territories, which has plagued rela-tions since the Second World

De Klerk initiative President F.W. de Klerk of South Africa called a two-day summit to begin on May 24 of government and political leaders on ways to end town-

Dissident murdered An Iranian dissident was stabbed to death outside his Paris home, judicial sources

ENE

Amnesty International, the human rights group, said hun-dreds of people had been arbi-trarily arrested and scores tortured in Kuwait since Iraq

Soviet raii blockade A rail blockade backing the southern Soviet republic of Georgia's drive for indepenessengers and dozens of freight trains, Moscow Radio said. Urals strike, Page 2

#### Antarctic plea

Jacques Cousteau, the ocean-ographer, asked France to stop building a 1km Antarctic air-strip, saying that damage to the virgon territory could upset the ecological balance of the earth. Antarctica mining ban,

#### Mitterrand jeered Hundreds of Romanian antigovernment demonstrators jeered French president Fran-cois Mitterrand as he arrived at his Bucharest embessey.

Bonn spy sought

German federal prosecutors said they were still looking for a high-ranking spy in the Bonn government Defendant dies

Former Greek deputy prime minister Agamemnon Koutso-yorgas, 69, a defendant in a bank scandal trial, died in hospital after suffering a stroke. in court last week, a hospital spokesman said. Page 3

Soviet earthquake An earthquake shook the Soviet central Asian republic of Tajikistan causing fatalities,

**US lottery record** California set a new US lottery record on Wednesday with a \$117.1m jackpot built up by several days of frenzied ticket

Rock and roll Former Hungarian rock star Ms Sarolta Zalatnay has founded a Happiness Party to cheer up recession-hit country folk: the most pessimistic people in the world according to a recent poll.

# Weekend

Tomorrow: Who needs the BBC? The cloudy future of a **British** institution

Food & Wine special: Portugal's distinctive flavour

Italy, one of the biggest borrowers in the international capital markets, has had its top triple-A debt rating placed under review for a possible lowering by Moody's Investors Service, the US credit rating

said: "The large Italian deficits have contributed to raising the level of public sector debt to a point that is now slightly higher then gross demantic. higher than gross domestic product . . . and reflects the continuous growth of public expenditure". Page 23

US trade deficit fell sharply in February to a seasonally adjusted \$5.3bn, the lowest since September 1983, the Com-merce department reported.

UK unemployment passed 2m in March with the biggest

PEUGEOT, France's largest car group which also includes Citroën, announced a 10.1 per cent decline in profits last year. Page 23

SANDOZ, large Swise chemical and pharmaceutical group, will open all its shares to for-eign investors. Page 23

NEDLLOYD, Dutch transport group, posted a net loss for 1990 of FI 148.2m (\$78.4m), down sharply from a net profit of F1 252.3m in 1989 and at the

DOW JONES: share prices fluc-tuated either side of their opening values in directionless but heavy trading in the morning session. By 1.30 pm the Dow Jones Industrial Average was up 2.97 at 3.007.43. Nikkei aver-age fell 181.47 to 26,798.90 on index-linked selling and profit-taking. Markets, Section II

the dollar had climbed to Y136.70 from Y136.25; to SFr1.4415 from SFr1.4770; and to FFr5.7000 from FFr5.6550. its index rose to 65.1 from 64.6.

TRUSTHOUSE Forte, Britain's higgest hotelier, was hit by the Gulf war and UK recessi with pre-tax profits falling 27 per cent, from £260m to £190m

(2337m). Page 23 BERLINER Bank lifted earnings 15.7 per cent to DM43.4m

an unchanged divided of 10 per cent. Page 24 DOW Chemical, US chemicals

GEORGIA-PACIFIC, largest US paper manufacturer, posted a first-quarter loss. Page 26

TEXTRON, US aerospace and financial services group, reported static profits for the first-quarter of 1991. Page 26

FRENCH tax authorities have impose heavy fines. Page 2 TREUHAND wants to promote more management buy-outs in east Germany. Page 3 MITSUBISHI Electric, a lead-

ing Japanese electronics group, and Westinghouse of the US have revised a 70 year-old cross-licensing agreement

ANGLO American, South Africa's largest mining house and the world's largest gold producer, announced that 12,500 jobs would be lost at its mines. Page 25

nearly C\$200m (\$173.9m), has been shut only six months after start-up. Page 32

gency. Moody's said a downgrading would affect about \$22.2bn of foreign currency debt. Moody's

monthly increase on record, unleashing fierce criticism of the government. Page 22

high end of the company's pre-viously forecast range of Fl 125m to Fl 150m. Page 23

DOLLAR: At the London close

(\$26m) last year and returned

group, posted better-than-ex-pected first-quarter earnings.

launched a belated crackdown on companies which exploited a loophole in investment tax law. The Finance Ministry may

ALRERTA: magnesium smelter with capacity for 12,000 tonnes of metal a year and a cost of

# BSky B in talks with Brussels on TV picture standard

BRITISH Sky Broadcasting could be transmitting chan-nels of higher quality pictures on wide screen television sets before the end of the year if a proposal under discussion by the European Commission is

DIVISION

The UK satellite broadcaster is discussing the proposal with the Commission to try to find a compromise solution to a potentially serious row over which standard Europe should employ to provide improved television pictures.

improved Mac system, but BSkyB avoids this by trans-mitting from Astra, which is a telecommunications rather than television satellite. It proadcasts in the existing Pal

directive requires all satellite

A new directive is being dis-cussed which could impose D2-Mac, one of the Mac systems, on all satellite broadcasters. The BSkyB compromise proposal is to broadcast simultaneously in both Pal and D2-Mae, but only if the Commission pays the additional cost more than £5m (\$8.95m) a channel a year.

The Commission, strongly acked by both the French and Dutch governments, favours D2-Mac. BSkyB executives feared that until recently the Commission had been on the point of deciding on D2-Mac as the European satellite stan-dard. Pal would then be phased out for satellite use over a 3-7 year period, render-ing much existing European satellite reception equipment

BSkyB says it is prepared to broadcast first one and then the second of its movie channels in the new wider screen format using D2-Mac. If there was enough demand the sports channel could also be broadcast in the higher definition

Agreement by BSkyB, a con-sortium in which Pearson, the publisher of the Financial Times, has a significant stake, to broadcast in D2-Mac would provide a significant boost to Europe's efforts to create its own advanced television system. The D2-Mac standard was created as a half-way house to European high definition tele-vision, which is expected to be introduced in the mid-1990s. The enhanced standard suf-fered a serious blow when BSB merged with Sky. BSB had used D-Mac, a British varia-tion of D2-Mac, but the merged

organisation made clear it would broadcast in Pal. EC telecommunications ministers are to meet on June 3 to decide on a new satellite broadcasting directive to suc-

expires at the end of the year. Mr Filippo Maria Pandolfi, the technology commissioner, has said new legislation should be combined with a consensus approach to resolving the stan-dards issue. Simultaneous D2-Mac and Pal transmission by BSkyB, one of Europe's largest satellite broadcasters, would mean that confrontation could be avoided.

D 8523A

Amstrad, the leading UK supplier of satellite equipment, is due to launch a decoder in August to enable Continued on Page 22

# Iraq talks raise hopes of early deal on Kurd camps

THE US military commander in charge of proposed havens for Kurdish refugees in northern Iraq is due to meet Iraqi army officers today, raising hopes that all sides will be able to agree on establishing Kurdish camps as a matter of

A spokesman for the US European Command in Turkey said Lt-Gen John Shalikashvili would cross into Iraq and meet the Iraqi officers near Zakho at

Yesterday, Iraq and the United Nations agreed on a separate plan to care for Kurd-ish and other refugees and displaced people in the country through the establishment of UN-run "humanitarian centres" controlled by civilians. The accord was disclosed in

a 21-point memorandum signed by Mr Ahmed Hussein, Bagh-dad's new foreign minister, and Prince Sadruddin Aga Khan, the official in charge of UN humanitarian aid for the

region.

The UN-Iraq agreement conflicts with moves already under way to send US, British, French and now Dutch troops to set up and defend safe havens in Iraq, although western and UN officials hope to reconcile the two proposals.
Mr Richard Chency, US defence secretary, said the US and its Gulf war allies would turn over control of refugee camps in Iraq to the UN and other international organisa-

tions as soon as possible.

Allied military forces were the only ones capable of building the camps and moving the rangess from the mountains, he said. "If we waited around for all the nicetles to be resolved - for all the questions to be sorted out - we could be here for two or three months,"

Mr Cheney said. The Pentagon announced yesterday that Can-ada and Germany had joined the allied relief effort for the

In Britain, Mr Tom King, defence secretary, announced that a brigade of the Royal Marines would form the nucleus of the British forces going to help in the humanitarian effort to help the Kurds.

In a statement to the House of Commons, Mr King said an advance party had left yester-day morning and that other units would leave today. The plan is for most of the 2,000 or so men from 3 Com-mando Brigade to be based in Turkey, with units rotating into Iraq. They will include engineering and communica-tions specialists, together with

medical staff. The camps for the Kurds would probably be in the form of tented villages around a cantral distribution point, with the Kurds organizing themselves and the allied forces providing

Mr King said the British troops would not allow the camps to become bases for Kurdish guerrilles.

While Tory MPs emphasised the role of Mr John Major, Britain's prime minister, as havens for the Kurds, Downing Street sought to play down dif-ferences between the UK and the US over whose idea it had Britain is also taking the

opportunity of the response to renew its appeal to Iran for help in securing the release of British hostages held in the

Lebanon.

Baghdad and UN sign accord,

Page 4; UK response, Page 3



Foreign aid: a Kurdish man pleads with a US soldier at a refugee camp at Isikveren on the Turkey/Iraq border

# **US urges World** Bank to boost private lending

THE US is pressing the World Bank to undertake a strong shift towards lending to the private sector in developing countries and eventually to make loans directly to private companies without government guarante

The World Bank presently only lends under government guarantee and a shift away from this would mark a pro-found change in its policies and be highly controversial. The US position is that the Bank should develop a strong expertise in the private sector in the 1990s or risk being left without a big role to play in developing countries which are increasingly privatising large parts of the state sector.

The pressure from the US comes as part of talks over a capital increase for the World ank's private sector affiliate, the International Finance Corporation. The US has said that it

wants to see half the lending of the World Bank group, includ-ing the IFC, directed to the private sector by 1995. A US administration official, who did not want to be named said: "Ultimately...the bank itself might become a lender directly to the private sector".

This shift, which would involve a change in the articles of association of the World Bank, could be linked to the next capital increase of the Bank itself, he said. This is due in the mid-1990s.

The IFC - which is able to

lend and to make equity investments in private sector companies – wants to double its \$1.3bn capital, Britain and Germany, among others, sup-port this. The US wants to limit the capital increase to

\$750m, and Japan is one of several countries not convinced that a doubling is necessary. Mr Barber Conable, World Bank group president, is keen to secure a capital increase for the IFC before he steps down

The administration official said: "We like the IFC. We think it's done a good job, but we think it should more pri-vate sector oriented and has not done enough in emphasis-ing privatisation. However, the World Bank's response to developing the private sector had not been satisfactory. The US feels that the Bank

should further develop its dialogue with governments over private sector reform, but this should be a process in which the IFC has a say. Among a series of proposals, the US is also looking for a private sector development division to be incorporated in every regional department of the beat. department of the bank.

World Bank officials have argued that they have increased their private sector involvement in recent years, and will increase it further. There is some confusion as to the definition of lending "directed to the private sector". The Bank has long lent to tions which then themselves lend to the private sector, but it is a policy which has proved disastrous in many countries

The big controversy will come if the US presses its case for direct lending to the private sector, which will add commercial risks to the current risks taken by the bank. Bank offi-cials fear this could burt the bank's jealously guarded top AAA credit rating.

#### Major names outsider as top civil servant in UK Treasury

By Philip Stephens and Peter Marsh

ESTABLISHMENT feathers were ruffled in London yesterday with the announcement that Sir Terence Burns is to replace Sir Peter Middleton as

replace Sir Peter Middleton as the permanent secretary to the British Treasury.

The appointment, announced by Mr John Major, the British prime minister, was triggered by Sir Peter's decision to switch to the private sector as a deputy chairman of Barclays Bank. The move signals the accession of a relative outsider to perhaps the most important job in Whitehali.

Sir Terence has been in the Treasury since 1980 as the government's chief economic adviser, but became a perma-nent civil servant only two years ago with his appointment as a second permanent secretary. He now takes a post which formally ranks second to Sir Robin Butler, the cabinet secretary, but in many respects carries equal influence.
The 47-year-old Sir Terence,

a down-to-earth northerner

who shares Mr Major's passion for soccer, has been closely

associated with the govern-

ment's economic policies since helping to frame the Medium Term Financial Strategy in

1980.

His appointment was pressed by Mr Norman Lamont, chancellor of the exchequer, against the established convention that the job should have gone to a long-serving Whitehall insider. The general expectation within the Treasury was that Sir Peter's replacement would be Mr Nigel Wickes, the senior official responsible for overseas official responsible for overseas

Mr Wickes is one of three second permanent secretaries who are essentially deputies to Sir Peter, with the third being Mr Nick Monck, who is responsible for public spending. Mr Lamont, who has already upset Treasury traditionalists by choosing a relatively junior 30-year-old as his private secre-tary, insisted that Sir Terence was the best man for the job.

That judgment was backed by Mr Major who established a close relationship with Sir Terence during his own chancel-The prime minister had earlier showed his willingness to bypass Whitehall's carefully built promotions ladder when he appointed Mr Gus O'Donnell, a Treasury economist, as his Downing Street press offi-

One minister with close con-tacts with the Treasury said last night: "There will be plenty of elegant noses put out of joint, but this is the new

Mr John Smith, Labour's shadow chancellor, was told in advance of the promotion because of Sir Terence's long sociation with the present It is thought that Mr Smith, who has met Sir Terence on several occasions and is known

to like him, took the view that the new permanent secretary would accept fully the Whitehall conventions and be happy to serve a Labour chancellor. "He has never advertised any political connection with the Continued on Page 22 Banker quits NatWest subsidlary, Page 8; Into the deep end, Page 20; Observer, Page 20

#### New Issue

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dington/Devenish ...

Currencies & money -

**Conservative litters** in Kohl's hinterland

One of Germany's Chancellor Kohl's

bestlons of conservatism, the Rhineland-Palatinate, is wobbling precariously. Can the Social Democrats tip Christian Democrate from 44 years at the

Page 3 

\$1,772 (1,782) DM2.99 (2.98) FFr10.1 (10.0775) Y242.25 (243.0) £ index 98.0 (92.9) New York: Comex Jun \$360.2 (363.7) London \$357.6 (360.75) M SEA OIL (Argus) Brent Jun \$19.125 (19.575)

MARKETS

New York lunch \$1.7555 London:

Y136.7 (136.35) \$ index 65.1 (64.6) Tokyn close: Y136.25 US lenchibne rates Fed Funds 5%% 3-mo Treasury yield: 5.81% Long Bond: 9833 yield: 8.16%

S&P Comp 390,42 (~0.03) Tokyo: Nikkai 26,798.9 (-181.47) Liffe long gift fu Jun 94% (92%)

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Inti. Capital Markets .... Law \_\_

Chief price changes yesterday: Page 23

DOLLAR

DM1.8995

FFr5,7955

SFr1.4535

Y137.5

**New York lunch** 

DM1.688 (1.6725)

FFr5.7 (5.855) SFr1.4415 (1.427)

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The Detch currency will be converted into sterling on 18 April 1991. A further amountment will be made shortly giving full sterling dentits of the dividend in respect of Fis 10 ordinary shares and Fis 1 sub-states.

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#### **CARDIFF**

1 2m The FT proposes to publish this survey on
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**EUROPEAN NEWS** 

# States resist Pöhl plan to slim Bundesbank

A SIMMERING dispute over the future of the German Bundesbank flared up yesterday when reform proposals from Mr Karl Otto Pöhl, the central bank president, came under unusual direct attack from two regional Bundesbank board members.

The outcome of the row, which is over Mr Pöhl's wish to slim the bank's unwieldy decision-making apparatus by closing some regional central banks, will have an impact on Germany's policies regarding

Urals metal

back miners

METAL workers in the Urals industrial city of Sverdlovsk stopped work yesterday in a two-hour strike to show soli-darity with demands of stri-

king coal miners.
The Sverdlovsk protest,

affecting 46 big enterprises in the former power base of Mr Boris Yeltsin, was the first of a series of solidarity strikes planned outside the mining

The action came as Russian leaders held talks with miners'

representatives to discuss ways of transferring their centrally-run mines to the jurisdiction of

the Russian Federation. Mr Yuri Skokov, the deputy

Russian prime minister, told parliament after the talks that this was a key condition for ending the miners' strike in

Russia. The miners have a series of other economic and political demands, including

round-table talks as a prelude to the formation of an all-union

coalition government. Their demands are shared by many of the miners still on strike in

Mr Skokov said the all-union Coal Ministry, the mines' current master, had opposed his proposal to turn them over to Russian jurisdiction as joint stack companies.

The miners see a defection to republican control as an opportunity to market more of their

output independently. The Ras-padskaya mine, the largest in the country, returned to work yesterday after it was switched

to Russian jurisdiction. In the latest example of the dramatic knock-on effects of

the Ukrainian Donbas.

stock companies.

workers in

strike to

By Leyla Boulton in

European monetary union.
The desire of German federal states (Lander) to maintain some influence over domestic monetary policy indicates the scale of political misgivings about eventually giving up currency sovereignty to a European central bank.

Mr Reinrich Schreiner and

Mr Norbert Kloten, the presidents of the Rhineland-Palati-nate and Baden-Württemberg central banks, criticised Mr Pohl's plans in separate news-paper articles in what Bundesbank officials said was an increasingly evident spirit of "rebellion" within the ranks of the 18-man policy-making Bundesbank council.
The council decides the main

elements of German monetary policy, above all changes in the discount and Lombard rates. It groups 11 regional central bank presidents and seven Frankfurt-based directorate members.

The council has been divided for several months over Mr Pohl's proposals to cut the

number of regional central banks to eight in united Germany from the present 11 in west Germany. The restructur-ing, requiring new legislation by October, results from until-

cation with east Germany.
Increasing the uncertainty. Bonn has so far failed to decide whether to support Mr Pohl's streamlining plans or to support Länder proposals to set up five new central banks for the east German states.

A government official said Mr Kohl would have to make a

decision, after talks with Mr Theo Waigel, the finance min-ister, in the next four or five weeks. "This is a considerable problem - there is a considerable problem - there is a conflict between the Bundesbank and the Bundesrat (the upper house of parliament representing the federal states)," the official said.

Mr Schwinger the president

Mr Schreiner, the president of the Rhineland-Palatinate's central bank, suggested in an article in the economic daily Handelshlatt that the smaller central bank council favoured

by Mr Pohl and other director. ate members would increase the Bundesbank's susceptibil

ity to political pressure.

Mr Schreiner, who, like all regional central bank chiefe is a political appointee of the Land government, complained about Mr Pohl's domination of the media image of the Brindes-bank. "It is good to have a spokesman who is an effective media performer, but the media give the opportunity of exercising power, and this should be controlled," he said.

# Leading French companies face tax crackdown

FRENCH TAX authorities have launched a belated crackdown on companies which exploited a loophole in investment tax law, government officials said yesterday.
The Finance Ministry is con-

The Finance Ministry is con-aidering heavy fines, thought to exceed FFr1bn (2100m), against "several dozen" leading companies accused of setting up investment funds with the sole purpose of generating tax credits on dividend payments.

Mr Michel Charasse, the budget minister, told the national assembly this week that an inquiry was under way, though ne gave no precise figures or names in answer to a parlia-

mentary question.

He did not deny French press reports that the tax directorate had sent a FFr600m demand for unpaid tax, relating to the 1987 fiscal year, to 157 companies and was negotiating substantial fines on top of that figure. of that figure.

The inquiry comes at a potentially helpful moment for

the government, which is looking around for new mea-sures to hold the line on a budget deficit now in danger of growing because of the drop in tax revenues caused by the

Mr Michel Rocard, the prime minister, has recently suffered a parliamentary setback and there is increasing speculation that a government real-unite may be in the offing. His col-leagues are looking for ways to pass the buck on unpopular spending cuts. Clearly, they would all welcome a corporate tax revenue windfall.

The Association Francaise des Banques is attempting to negotiate a reduction in the likely fines on behalf of its members, some of which set up investment funds to help corporate clients minimise their tax bills.

The government closed the loophole in question in 1969, but it was not until recently that the tax directorate took action against companies that had made use of it before then. It is an example of several grey areas that still exist in France's surprisingly flexible tax laws, said Mr Patrick de Freminet, director of tax affairs for Paribas, which has not made use of this loophole.

"In French tax law there are some things which, although not forbidden, are ... in any case not advisable," he

# Brussels' biotech strategy draws cross-fire

By Andrew Hill in Strasbourg

A NEW European Community strategy for the biotechnology industry was attacked by both

the coal strike, a metal works in the Urals, at Nizhny Tagil, the sole supplier of some essen-tial inputs for the engineering environmental groups and chemical companies yesterday. Unveiling a policy paper in Strasbourg, the European Com-mission promised to limit the industry, has been forced to close four of its six furnaces.

• Mr Valentin Pavlov, the regulatory burden on Europe's biotechnology industry and to set up a committee to tackle the ethical problems of genetic, environmental and human day met leading radical economists, including Mr Nikolai Petrakov and Mr Grigory Yav-linsky, to hear criticism of his embryo research. But the paper has not laid to rest con-troversy about the risks

involved in developing biological techniques for use in agrochemical, pharmaceutical and food industries.

Soviet miners, on strike for seven weeks, attend a demonstration in central Kiev yesterday

The European Chemical Industry Federation (Cefic), said the Commission could still discriminate against biotechnology products by subjecting ing and regulation, irrespective of the type of product — a safe-guard demanded by environmentalists.

Green party members of the

paper should be withdrawn on the grounds that it offered inadequate protection for the environment and human health. "It's as though the biotech industry had given the Commission its wish-list, and the Commission turned it into

their basic position paper," said MEP Ms Hiltrud Breyer.
The strategy paper is itself a product of fierce internal debate in the Commission, between departments responsi-ble for environment, research, agriculture and the internal heels of the strategy for the ailing information technology industry. Both sectors fall under the EC's new industrial policy, which aims to stimulate investment, but requires the companies themselves to come up with the cash.

market. It follows hard on the

European biotechnology companies are prospering, but Brussels wants to streamline product authorisation procedures, harmonise standards and ensure patent protection for EC biotechnology products

to lure investment back from the US industry.
Mr Martin Bangemann. internal market and industry commissioner, said that in

exceptional cases where controversy arose over social or economic effects of a product - for example, the economic effect of a genetically-engi-neered hormone to stimulate milk production - the Commission might have to take a political decision on it. But this would not take the form of another layer of regulation.

#### Brittan takes aim at energy monopolies

By David Buchan in Brussels

anti-crisis programme.

SIR LEON BRITTAN, the EC competition commissioner, warned yesterday of further moves to break up monopolies in the electricity and gas

market

In a speech to the Institute of Civil Engineers in London, he said Brussels was increasingly sceptical of government arguments that energy monopolies were necessary to maintain security of supply.

The Commission's new yard-

stick, he said, was that governsuch, he said, was that govern-ments should be allowed to reserve no more than 20 per cent of their electricity produc-tion for domestic primary energy producers on the grounds of security of supply.

In time this proportion should come down to 15 per cent. Brussels has recently moved to break up cross-border trading monopolies in electricity and gas, and the European Court of Justice has backed Commission legal action against state monopolies.

against state monopolies.
Str Leon suggested that next in the firing line might be organisations which had conluded long-term exclusive energy supply accords that foreclosed markets to other to companies, or which abused their dominant market posi-tion by denying others access to their networks or grids, or by setting uncompetitive prices.

#### Leadership change improves poll chances of Icelandic opposition

By Robert Taylor in Stockholm

AN UNEXPECTED change in the leadership of Iceland's main conservative opposition party has improved its chances of toppling the centre-left coalition government in this weekend's general election.

The Independence party should win about 40 per cent of the vota, compared with 27 per cent four years ago, according to a recent opinion poll. With the existing coalition split over EC membership, Independence EC membership, Independence is should be able to form a

government with the pro-Euro-pean Social Democrats.

Just over a month ago, Mr David Oddsson, Reykjavik's colourful mayor, successfully challenged former Prime Min-

ister Thorstein Palsson for the leadership of the party at its

annual conference. Mr Oddsson, a writer and radio comedian, is more than Mr Palsson, who fell out with his colleagues in the coalition he led after the 1987 election and was forced to resign as

premier in October 1988.
Independence is promising to cut taxes to stimulate the economy, a message that finds con-omy, a message that finds con-siderable support among the voters. Furthermore, Indepen-dence is expected to get most of the 11 per cent share of the votes it lost to a breakaway faction of the party in 1987, which is now facing extinction.

coalition have all lost ground, according to opinion surveys.

Another loser looks like Another loser looks like being the Women's Movement, which burst upon the political scene four years ago with just over 10 per cent of the vote. This all-woman party with a strong environmentalist position seems set to fall back to around 8-9 per cent support.

The centrist Progressives, main force in the present gov-

main force in the present government, are expected to poll almost as last time, with around 19 per cent support. However, its total opposition to EC membership has reduced its chances of being a part of the next coalition.

The Financial Times (Europe) LM
Published by the Financial Times
(Europe) Ltd., Frankfurt Branch,
(Guiolicitstrasse 54, 6000 Frankfurt-amMain 1: Telephone 069-75980; Fax
069-722677; Telex 416193 represented
by E. Hugo, Frankfurt/Mam, and, as
members of the Board of Directors,
R.A.F. McClean, G.T.S. Damer, A.C.
Miller, D.E.P. Palmer, London, Printer:
Frankfurter Societaets-DruckereiGmbH, Frankfart/Main, Responsible
editor: Richard Lambert, Financial
Times, Number One Southwark Bridge,
London SE1 9HL. The Financial Times
Ltd, 1991.

Registered office: Number One, Southwark Bridge, London SE! 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited, Publishing director: B. Hughes, 168 Rue de Rivoll, 75044 Paris Codes OI. Tel: (01) 4297 0621; Fax: (01) 4297 0621; Fax: (01) 4297 0629. Belitor: Richard Larobert.Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1, ISSN: ISSN: 1580. 1580. 1580.

Financial Times (Scandinavia) Vimmel-skaftet 42A, DR-1161 Copenhagen-K, Denmark, Telephone (33) 13 44 41. Fas (33) 935335.



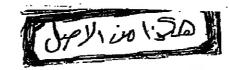
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A BREATH OF FRESH AIR.





Mr Koutsogiorgas in court last month

**Defendant** 

in Bank

of Crete

trial dies

By Kerin Hope in Athens

GREECE'S former deputy

GREECE'S former deputy prime minister, Mr Agamemnon Koutsogiorgas, a defendant in the Bank of Crete embezzlement trial, died in hospital yesterday, eight days after suffering a stroke while questioning a witness.

Mr Koutsogiorgas, who was 69, was accused of accepting a \$2m bribe from the bank's owner in 1988 in return for introducing legislation on bank

owner in 1988 in return for introducing legislation on bank secrecy aimed at blocking a central bank investigation.

The trial, adjourned after Mr Koutsogiorgas' dramatic collapse in the courtroom, can now continue. But without his testimony it appears increas-

testimony, it appears increasingly unlikely that Mr Andreas

Papandreou, the former prime minister, could be convicted.

the June 1989 election after

accusations concerning his role in the bank scandal.

The court hearings will now focus on two other ex-cabinet ministers accused of involve-

ment in the Bank of Crete

scandal, but their political sig-nificance will be considerably diminished.

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#### **EUROPEAN NEWS**

# SPD threat to block company tax cut Treuhand gives

elections in Rhineland-Palati-

By David Marsh and David Goodhart in Bonn

MR BJORN ENGHOLM, chairman-designate of the Ger-man opposition Social Demo-crats, yesterday promised that his party would yeto government plans for lower company ment plans for lower company taxes if the SPD won control of the upper house of parliament in Sunday's regional elections. He also firmly ruled out any question of a "grand coalition" with Chamcelor Helmut Kohl's Christian Personnic confirm Christian Democrats, saying

the SPD was not prepared to act as a "lifebuoy" to help the government weather its prob-Mr Engholm, due to be con-firmed as the new SPD chair-

man at the Bremen party conference at the end of next month, said he would not support government proposals for a wider international role for

He rejected as "out of the question" Chancellor Kohl's question that the Bundes-wehr might be deployed out-side Nato under the auspices of the nine-nation Western European Union (WEU). The government would need some SPD support in the Bundestag (lower house) to change the constitution in order to make this possible.

nate, where the SPD has a good chance of dislodging the ruling Christian Democrats after 44 years of power, Mr Engholm condemned the gov-ernment's plans to abolish German property taxes in the

next few years.

Speaking to the Financial
Times and three other European newspapers, he said it
was "the greatest madness anyone can think of" to pro-pose ending this tax on compa-nies and high-carners at a

time of great economic hard-ship in east Germany. A victory in Rhineland-Pa-

latinate would give the SPD a sllow the government to go to majority in the Bundesrat, the federal council grouping reprethe end'." sentatives from the federal states. The party would thus have power to block many important laws, including all

Mr Engholm said that if it won Sunday's elections, the SPD would use its power in the upper chamber responsi-

But he said that the suggested elimination of property taxes - which bring in DM6.3bn (£2.1bn) a year -numbered among "a few cen-tral questions where we will

Mr Engholm's promise of confrontation with the government over taxation comes as hopes of consensus between Mr Kohl and the opposition over rebuilding the economy in east Germany have quickly

The Chancellor has made clear in the past few days that planned talks with the SPD on ways of improving the eco-nomic position in the east will be non-binding in character.

# Conservative jitters in Kohl's hinterland

Bonn's 'muddling' could cost the CDU a state election, writes Katharine Campbell

S IF the federal govern-

S IF the federal government in Bonn were not beset by problems enough, one of the country's bastions of conservatism is wobbling precariously.

When voters of the Rhineland-Palatinate go to the polls on Sunday, the Social Democrats are hoping to tip the Christian Democrats (CDU) from 44 years at the helm. Ever since the Land (state) was created after the Second World War, the birthplace of Chancellor Relmut Kohl has been staunchly conservative. Now the incumbents are visibly the incumbents are visibly

elsewhere hung on the provi-sion of extra school buses, pre-occupations this Sunday are firmly national. Bonn's post-electoral imposition of taxes to finance unification – after Mr Kohl's repeated assurances to the contrary throughout last year - could cost the CDU its

year — could cost the CDU its previously secure position.

"Our difficulties come directly from Bonn," laments Mr Carl-Ludwig Wagner, the premier. The criticism of his own party leaders is aimed not just at the failure to allow for the possibility of extraordinary measures in the first place, but also at the "muddle in high also at the "muddle in high places" when the tax increases

Mr Papandreou is also charged with taking bribes in the \$200m embezzlement scandal, which helped bring down his Socialist government, but refuses to appear in court.

Mr Koutsogiorgas was Mr Papandreou's family lawyer and his closest political associations. were announced in February. Neither Mr Wagner nor his voters doubt the need for higher taxes. But at one camneighbouring Hesse, worries that too many voters will stay

Mr Wagner's embarrassment is compounded by having to vote today in the upper house's (Bundesrat) ratification of the new tax law. While attempting a mild amendment to appease the rural Land's many commuters (who drive long dis-tances to industrial centres and to Bonn and will have to pay higher petrol taxes), the debate can but rub sait in the

To make matters worse, the CDU has two candidates. Springing from intra-party warfare in 1968 that deposed the popular premier Mr Bern-hard Vogel Mr Hans-Otto Wilhelm, cast as king-maker in the whole episode, will take over from Mr Wagner at the end of 1992. Mr Wilhelm, a young 50 and dubbed over-ambitious by some, contrasts with the avunctor. cular Mr Wagner, who tries to present the double ticket as preferable to a secret deal

emerging mid-term.

Meanwhile, the Social Demo-eratic (SPD) candidate Mr Rudolf Scharping is basking in the CDU's dramatic decline. "One doesn't vote for people who lie like that," shout the

party placards.
Mr Scharping, whose wooden
manner can make him appear arrogant, is credited with gal-vanising the Land's previously dejected SPD. His cabinet, were paign rally after another comes
the awkward question: can I
trust my party? The CDU,
unsettled by the recentlyformed red-green coalition in Overshadowed though they are by national issues, there are still some pressing regional issues at stake. In parts a rather sleepy, if scenic place, the Rhineland-Palatinate has under way an image campaign with the less than promising slogan: "The Rhineland-Palati-nate is more diverse than one

High among the issues pre-occupying the Land, once dubbed the aircraft carrier of Germany, is social dislocation arking from the withdrawal of US troops. The Pentagon employs nearly 25,000 German civilians, and will be leaving behind vast tracts of, in places, heavily-polluted land. Mr Scharping, once a bitter critic of the American presence, is left promising to woo new US companies to the Americanised shell-towns. Meanwhile, the chancellor

has made no less than 14 appearances for the campaign. ("It won't help," says Mr



Scharping lugubriously). In Worms last week, just 10km from Mr Kohl's home and where he is often seen at Sun-day service in the historic cathedral, even a thunderously loud public address system could not quite drown the catcalls from the normally placid home of Liebfraumilch wine. His message: the SPD, at best

reluctant fellow travellers in the unification enterprise, could scarcely afford to criti-

Among Mr Kohl's worries is that a defeat on Sunday would lose the Bonn coalition its majority in the Bundesrat. However, even if the SPD emerges the strongest single party, it may well be unable to form a government, much hanging on the Greens who have five seats in the current parliament but could fail to attain the necessary 5 per cent of the vote.

With the Free Democrats (FDP) pledged to support the CDU if a government can be formed, a poor showing by the Greens could leave Mr Scharp-ing with nothing but enhanced opposition status. Alterna-tively, with the Greens in Mr Scharping believes the FDP, his preferred coalition partner, would be forced to negotiate. The tea-leaf readers believe the FDP has just about left the

# management buy-outs a boost

By David Goodhart in Bonn

THE TREUHAND wants to promote more management buy-outs in east Germany. They have accounted for only 5 per cent of the 1,261 industrial companies already privatised. according to Mrs Birgit Breuel, the privatisation agency's new president. Foreign sales have accounted for another 5 per cent, with 90 per cent going to west German companies.

Management buy-outs are expected to be a theme when the newly formed Managers Association (East) meets Mrs Breuel next month.

However, she made clear yesterday, at a news conference to open the Berlin-based Treuband's new Bonn office, that the inadequaties of east German managers were one of the main obstacles to corporate restructuring.

"We have so far received rel-atively few workable business plans from those companies applying for restructuring money," she said, adding that companies which expected to get money regardless of the quality of their proposals had

better think again,
Providing the most detailed
breakdown so far of Treuband
sales, Mrs Breuel said that 40 per cent were in the capital goods and motors sector, 30 per cent electronics and scientific instruments and 12 per cent

These sales, together with those of the large retail chains, most newspapers and 200 hotels, had secured half a million jobs, said Mrs Breuel

For those 7,000-plus compa-nies that remain in Treuhand ownership, the organisation has more 2,000 outstanding offers. Several key assets have

been given to the east German states: the Meissen china com-pany and the Leipzig Fair to Saxony, and Carl Zeiss Jena to

Thuringia.
Only 333 companies, involving about 90,000 jobs, have been closed by the Treuhand but Mrs Breuel said that fewer closures would be required than originally found. than originally feared. She also said that "privatisation or restructuring" was a false antithesis and that both would be promoted where appropri-

About 1,000 of the 8,000 com-panies which received the orig-inal DM30bn in short-term Treuhand are no longer in a position to pay back their loans, she said. The Treuhand will continue to pay interest until the end of the year even on credits that can be repaid and will also continue to pay interest until the end of the year even on credits that can be repaid and will also continue to pay interest on the DM100bn in corporate debts inherited from the

old regime.
To balance Mrs Breuel and her new deputy, Mr Hero Brahms, currently finance director of Hoesch, both of whom are considered tough free-marketeers, the Treuhand has also just appointed to the executive Mr Klaus Schuch He is a Social Democrate with most is a Social Democrat with good trade union connections who has been spokesman of Ruhr-kohle Westfalen, one of Ger-many's biggest coal companies. Mr Alexander Koch, the Treuhand personnel boss, has also just negotiated a "social

plan" agreement with the leaders of the German union moveresponsible for paying up to DM5,000 per redundant worker where companies themselves cannot pay.

#### and his closest political associate during eight years in office. He served in a number of ministries during the years of Socialist government from 1981 Sweden sets date for to 1989 and had been expected to come up with damaging revelations about corruption during that period. He did not run for office in

SWEDEN'S ruling Social Democrats intend to apply this ing on conditi neutrality, according to government sources, writes Robert Taylor in Stockholm.

Ministers now argue that

Sweden should remain free from any existing military alli-ance but take a full part in the shaping of a common BC forsign and security policy.

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#### Oil well firefighters angered by criticism

By Mark Nicholson in

BLOWOUT teams fighting to cap Kuwait's blazing oil wells said yesterday they were mak-ing "tremellous progress" despite still lacking vital equip-ment and responded angrily to criticism from the Kuwaiti gov-

ernment that they were not working fast enough. The four US and Canadian teams working in Kuwait's southern al-Ahmedi and Bur-gan oilfields have capped 45 wells to date, including at least 14 of the more than 500 which were ignited by the Iraqis, and say they are capping at a rate of between three and five wells

Mr Joe Bowden, president of Wild Wells Control, which has capped 27 wells, said: "You'll capped 27 wells, said: You'll see tremendous progress now. The pace will pick up tremendously in the next few weeks."

The two other Texan-based blowout specialists, Boots and Coots and Red Adair Company, have capped 12 and six wells respectively while Sefety Rose. respectively, while Safety Boss, the Calgary-based Canadian group, yesterday began work on its first two wells. Mr Larry Flak of OGS, the

group co-ordinating the cap-ping operation, said yesterday the teams were working as fast as they could given that they still lacked much of the heavy

machinery necessary to tackle the largest fires. "We're risking men's lives to

"We're risking men's lives to put out these wells, and we couldn't work faster if we wanted to," he said. Although more equipment arrives daily on board US air force Galaxy C5 transporters, Mr Flak said the blowout teams were short of "damn near everything" and criticised near everything" and criticised the Kuwait authorities for having been slow to sign contracts

ing been slow to sign contracts to import equipment to meet the companies' needs.

He said all four teams required more heavy earth movers, cranes, hydraulic excavators, jet cutters and jack-hammars — mostly to deal with badly damaged wells which have accumulated large density of hydring coke deposits of burning coke around the head which must be cleared before the well fire can be attacked.

Some of the teams have resorted to cannibalising some of the innumerable trucks and other vahicles wrecked by the Iragis and which litter the oil centre of al-Ahmedi. "Money could have saved a lot of this,"

"The Kuwaitis are the prob-lem," he said. "Not the ones here, but the Kuwaitis in London and elsewhere who control sitting in their little sir-condi-tioned palaces outside that are causing the headaches."

All four blowout teams were All four blowout teams were stung by remarks last weekend by Dr Rasheed al-Almeeri, the Kuwait oil minister, that they could not cope with the oil well crisis alone and that he was therefore tendering for help from European and other oil and construction companies.

"We really resent the oil We really resent the oil minister's comments," said Mr Flak. "We think we're making excellent progress with little

support."

The four teams are also handicapped by lack of water at the fire sites. A giant lagoon built in the oil field is being fed by water tankers and work is proceeding to pump water back to the wells through the oil gathering pipe network run-ning to the oil terminals. How-ever, the blowout teams say there is enough water so far only to deal with the smaller

Hugh Carnegy in Jerusalem and Tony Walker in Cairo report on another round of Mideast diplomacy

r James Baker, the US secre-tary of state, opens his third round of shuttle diplomacy in less than six weeks in Jerusalem today, hoping to convert into reality vague agreements from Israel and its Arab adversaries to hold a peace con-

ties and allows as little room as possi-ble for any one to wriggle out.

But will it work? There is still deep scepticism on both the Arab and the Israeli sides, where examples of past failed attempts by US secretaries of state, from William Rogers to George Shultz, are frequently cited. Both sides continue to demand that the burden of concessions must fall on

Arabs express exasperation and anger over the policies of Mr Yitzhak Shamir's hardline Israeli government

Israel, there is no hope," says Mr Mahmond Riad, a former secretary general of the Arab League. From Israel's point of view, it is Arab states such as Syria and Saudi Arabia that must give first, by formally recognis-

ing Israel.
"All they have to give is words. We have to give quality assets, the terri-tory, so people are suspicious," says Mr Arye Na'or, a former cabinet secretary to ex-prime minister Mena-

talks would take place to deal with the Palestinian issue.

Israel, happy that the US has adopted the "two track" approach to bilateral relations and the Palestinian problem it always favoured, has accepted this formula – with the important caveat that no disputes in the bilateral negotiations could be

pro-Western of the Arab states, are prepared to go along with the regional conference proposal. Syria, the more radical Arab states, and the Palestine Liberation Organisation have not shut the door. But none are enthusias-tic. They want the EC involved – which Israel does not – and they

resolutions 242 and 338.

The resolutions call for Israeli withdrawal from occupied Arab lands, matched by a guarantee of security for all states. This is the basis for the "land for peace" formula now demanded of Israel by the Arabs, the US and most of the international community.

Itomically, when resolution 242 was

national community.
Ironically, When resolution 242 was originally passed in 1967 Syria and the PLO objected, while Israel accepted. Now Israel's position has shifted to the extent that it will not accept 242 and 338 as dictating a "land for peace" settlement to any peace conference.

Mr Shamir is prepared to offer Palestinian autonomy in the West Bank and Gaza Strip for an interim period,

with the prospect of later talks on a final settlement. But so far he has flatly refused to countenance ralinquishing Israeli sovereignty over the West Bank and Gaza, and has also said Israel will not give up the Golan Heights to Syria.

Mr Baker also has to deal with the

wared issue of Palestinian representa-tion at any talks. The PLO is highly dubious about the US initiative. It fears the US is seeking to exclude it from the peace process - as Mr Shamir loudly demands. "The US seems to be giving way to the Israeli view completely," said Mr Jamil Hilal, a PLO spokesman at the organisation's headquarters in Tunis.

neanquarters in Tunis.

But it is willing to play along up to a point in the hope that the process may provide a pretext for the organisation to escape from the isolation caused by its support for Iraq in the Gulf crisis. Gulf crisis.

Mr Baker is working on forming a Palestinian delegation from the West Bank and Gaza where senior figures show signs of near desperation for any talks which offer at least some chance of relief from Israel's unrelent-ing oppression. Both local Palestin-isms and the PLO in Tunis agree that,

while a local delegation would not overtly carry a PLO label, it must clearly have a mandate from Tunis. "We want to make Mr Baker realise the address is Tunis," said Mr Hilal. The US secretary of state is almost The US secretary of state is aimost certainly ready to go along with this. But, again, Mr Shamir has made repeated statements that any Palestinian delegation which claimed to represent the PLO would be unacceptable to Israel. So far, Mr Bakar has sought to sidestep such potential landmines in the interests of keeping the momentum order.

landmines in the interests of keeping the momentum going.

On his latest shuttle trip, which will include Jordan for the first time, he is likely to encounter a stiffer reaction on such issues from the Arab side, which sees them as "confidence-destroying" steps, not the confidence-building Mr Baker has called for.

There is no doubt Mr Baker is playing against the odds. But there is also no doubt that he and President Bush, with the Gulf war and a wealth of previous experience behind them, command a good deal of respect from all parties. It may just be that reluctance to say "no" to them can be exploited by Mr Baker to keep the window of opportunity open.

nomic development in the

The EC is in no sense relin-

The EC is in no sense relinquishing its aim to raise its political involvement to the level of its economic commitment. But having provided leadership sufficient to joit the US into action on providing aid plus security to the Kurds, it is confident and prudent enough to let the US set the

enough to let the US set the pace on regional peace. As one senior EC diplomat remarked, "the US is the only player that

#### Japanese money growth slows

By Stefan Wagstyl in Tokyo

JAPAN'S money supply rose by just 4.9 per cent in March compared with the same month last year, the lowest monthly rate of increase on

record.
The decline in growth, from a peak of 13 per cent less than a year ago, highlights the flerceness of the Bank of Japan's determination to

Japan's determination to squeeze excess money out of the economy. In the first three months of 1931, the money supply has shrunk by 1.2 per cent, on an annualised basis.

Mr Yasushi Mieno, the central bank governor, insists that he will keep his grip on credit for at least the time being – despite hopes among investors of an imminent cut in the Official Discount Rate. In a Official Discount Rate. In a speech on Wednesday, Mr Mieno said that there had been Mieno said that there had been a slight slowdown in the economy. "But that is only natural and even desirable in consideration of the past tight monetary policy."

Mr Russell Jones, an economist at UBS Phillips & Drew, the securities company saw

the securities company, says that the central bank could cut interest rates with little fear of inflation. But other factors, including the recent weakness of the yen against the US dollar, might give Mr Mieno pause for thought.

Aside from the exchange rate, the central bank is concerned about upward pressure on wages from labour shortages, consumer price inflation and a possible resurgence in speculative investment in land if interest rates are cut too

#### Denmark may veto the lifting of sanctions

By Hilary Barnes in Copenhagen

DANISH opposition parties are set to force Prime Minister Poul Schlueter's centre-right minority government to block a decision by the European Community to lift the remain-ing trade restrictions on South

to South Africa's President P.W. de Klerk, who is due to pay a one-day visit to Denmark on April next week.
Mr Schlueter's minority:gov-

ar Schineter's minority gov-ernment of the Conservative and Liberal parties is backed by only 69 MPs in the 179-seat assembly. A coalition of the Social Democratic Party, the Social Democratic Party, the Socialist People's Party and the with a total of 91 seats, has emerged to block government policy on the embargo issue.

An EC decision to lift the embargo requires unanimity, and hence Denmark can prevent it. Mr Schlueter yesterday described the opposition's posi-tion on this issue as "regreta-ble and stupid". He pointed out in a speech to the British import Union in Copenhagen that the step proposed by the EC will only state that member countries may lift the embargo - not that they have to.

#### De Klerk initiative to end violence

By Pattl Waldmeir and Michael Holman in Johannesburg

THE South African government is to set up a per-manent commission of inquiry into the violence which has left more than 5,000 people dead in the past four years, and will convene a two-day summit of political and other leaders next

peace.
The moves were announced by President F.W. de Klerk on the eve of his departure for a three-nation European tour and may go some way towards meeting the demands of the African National Congress. The ANC has threatened to boycott talks on a new constitution unless Pretoria takes further steps to halt violence and prevent alleged involvement by the security

forces.

Earlier this week, Mr Nelson Mandels the ANC deputy president, rejected planned multi-party talks on violence, but the announcement of a commission of inquiry might persuade him to change his mind.

mind. Mr de Klerk said legislation would be passed to set up a permanent commission of inquiry into politically-inspired violence and intimidation. "The purpose is not to make wild allegations, or to leunch a witch-hunt about the past, or to replace the legal process," Mr de Klerk said in a

"We have constantly handled the question of violence with great seriousness...and we must now do something about it," he said.

# US seeks to block escape route from peace process

ference.

Mr Baker clearly feels that his best chance of exploiting the "window of opportunity" he believes was opened by the victory of the US alliance in the Gulf war is to generate a momentum which carries along all the parties and allows as little room as possible for any one to wriggle out.

especially recent provocative moves to expand Jewish settlement of the occupied territories. "Unless the United States is prepared to pressure

THE European Community has restrained its ambition to test

its new-found confidence in

foreign policy on the issue of Arab-Israeli peace talks.

After meeting Mr James Baker, the US secretary of state, in Luxembourg late on Wednesday, EC foreign ministers settled – at least temporarily – for an undefined "association" with the process.

"association" with the process.
They went into the meeting determined to secure full "cosponsorship" of Washington's regional formula, with a seat

IRAQ and the United Nations

yesterday agreed on a plan to care for Kurdish and other refcare for Kurusal and other re-ugees and displaced persons in the country through the estab-lishment of UN-run "humani-

tarian centres". The accord, disclosed in a 21-

ont memorandum signed by Mr Ahmed Hussein, Baghdad's new foreign minister, and Prince Sadruddin Aga Khan,

the official in charge of UN humanitarian aid for the

region, appeared to create a potential policy conflict

the main Western powers.
Independently of the UN, US,

British and French troops are to be deployed in northern Iraq over Baghdad's objections to feed, shelter and defend the Kurds fearing Iraqi military

The agreement reached in Baghdad grew out of an Iraqi offer to discuss the problem with UN officials after the Security Council condemned

the repressive measures against Kurds and Shias and called for immediate access to

the country for international

relief efforts.

Iraq rejected the resolution and reaffirmed that position in the accord, which also stressed its sovereignty and the need for non-interference in Iraqi internal effairs.

However, the government welcomed UN efforts to promote "the voluntary return home" of displaced persons and to take humanitarian measures to avert new outflows of

internal affairs.

Baghdad and UN

aid Kurd refugees

sign accord to

chem Begin.

Against this familiar background of mutual suspicion, Mr Baker is promoting the idea of a regional conference, under US/Soviet auspices, as a symbolic opening to a series of substantive bilateral negotiations between Israel and Arab countries. Parallel tolks would take place to deal with

referred back to the full conference where it fears an Arab majority. Saudi Arabia and Egypt, the most

at the table alongside the US and the Soviet Union. What Wednesday's talks - the third high-level US-EC encounter in the past week

- made clear was that the

peace process was not suffi-ciently advanced or secure enough for Washington to override Israeli objections to closer European involvement.

This was not a climb-down, officials from the pragmatic Luxembourg presidency of the EC underlined, but an act of prudence. Mr Baker had made

refugees. UN humanitarian centres will be set up wherever needed and be run by international civilian staff, including the Red Cross and Red Crescent, with the help also of the braqi Red Crescent Society. As well as providing humanitarian aid, foreign officials will monitor the overall situation.

monitor the overall situation.

for groups of refugees return-ing home, under UN protec-

Provision is made for UN aid

and government officials are

committed to facilitate the safe

passage of emergency relief

passage of emergency raiser throughout the country.

The government undertakes to help establish UN sub-offices to back-up the main centres and other programmes in Iraqi towns, all with the aim of

encouraging the voluntary return of "internally and exter-

nelly displaced" persons.

To help cover operational costs inside the country, Baghdad will provide cash in local

Prince Sadruddin and Mr

body to provide desperately-needed aid "in all parts of

"Routes of return" will be set up to facilitate safe travel for groups of refugees returnwant the full conference to have powers to ensure the implementation of decisions taken. Above all, they want the UN to be involved and the conference of th ence to be held on the basis of UN

EC settles for support role in next stage of Arab-Israeli talks

clear, to his EC colleagues and publicly, that he wanted Europe aboard.

But Israel, which has accepted in principle the US plan for face-to-face talks with the Arabs, remains wary of the EC because of the Community's longestanding call for a

ty's long-standing call for a UN-sponsored peace confer-ence which would include the

Palestinians. Mr Baker said after the meeting that his primary objective was "to establish a able chance of success and of being begun in the first place". But he added that "we have made it very clear to Israel that Europe can contribute to this process and should be

The added value the EC believes it can provide is two-fold. It can provide "some-thing of an umbrella", as one EC diplomat expressed it, for Syria and the Palestine Liberation Organisation. They are insisting on a UN-backed con-

for-peace" formula contained in Security Council resolutions 242 and 338, requiring Israel to withdraw from the occupied territories in exchange for a

"If you have four permanent members of the Security Coun-cil present," said one diplo-mat, "the substance of what took place at the regional con-ference would be under these resolutions".

Second, and longer term, the EC believes it has a significant contribution to make to eco-



A little girl cradles several loaves of bread as she watches the slow queue of Kurdish refugees waiting for the distribution of food at a camp near Silopi in south east Turkey not far from the Iraqi border

# Amnesty urges end to Kuwait killing

AMNESTY International has called on Sheikh Jaher al-Sabah, the reclusive Emir of Kuwait, to intervene personally to put a stop to arbitrary killings, arrests and tor-ture in the country since the Iraqi forces

Prince Sadruddin and Mr
Eric Suy, a senior Belgian official who also represented the
UN in the Baghdad talks, are
to report to Mr Javier Pérez de
Cuellar, the UN secretary general, in Paris today, officials
said. In a statement, Mr Pérez
de Cuellar welcomed the outcome of the negotiations which
he said would enable the world
body to provide desperatelywere driven out in February. In a report published today, the Londonbased human rights group said scores of people had been killed and many brutally tortured by the Kuwaiti samed forces and self-styled resistance groups since Febru-

Most of those persecuted by the Kuwaitis have been Palestinians suspected of collaborating with Iraq during its seven-month occupation.

public or taken away, tortured and killed in secret," Amnesty said. The organisation's fact-finding team

reported that hundreds had been arrested and many people had apparently disap-peared. Detainess said at least seven prisoners had died in custody after torture. "These violations are continuing and appear to be largely unchecked," Amnesty

"Their scale and persistence threaten to leave an indelible stain on Kuwait's human rights record. This is all the more lamentable in the light of hopes that the kind of violations that occurred under the Iragi occupation would be a thing of the past."

Most of the abuses immediately after the defeat of Iraq were carried out by "resis-tance" squads, Amnesty said, but armed forces personnel were increasingly cited in

Tortura methods included the use of electric shocks, burning with cigarettes and acid, biting and threats of execution and sexual assault. Amnesty withdrew allegations that the

ragis had killed large numbers of prema-ture babies by removing them from incu-bators, because of lack of evidence, but it said the overall picture of serious Iraqi human rights abuses during the occupa

Iran ends an experiment in politeness towards its unpredictable neighbour

# Saddam returns to Tehran's hate list

SADDAM Hussein has changed from a president into a wolf in the Iranian lexicon.
The restrained politeness last year by Iran after he canitulated to Iran's main demands to end the Iran-Iraq war has been all but abandoned, signal-

ling a return to the friction

CENTRAL-EUROPEAN INTERNATIONAL BANK LTD USD 30.000.000 FLOATING RATE NOTES For the period April 17, 1991 October 17, 1991. The rate has been fixed at 6,4375 %PA. Next payment date: October 17, 1991 Coupon nr: 11 Amount: USD 3272,40 THE PRINCIPAL PAYING AGENT

SOCIETE GENERALE

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that traditionally characterises relations between the two. The careful neutrality that Iran nurtured while the American-led coalition was bombing Iraq has turned into scantily-veiled calls for President Sad-dam Hussein's overthrow. Last month, President Hashemi-Rafsanjani called on the Iraqi lead-ership to "submit to the will of the people".

Tehran has diverted its attention from calls on the

multinational forces to withdraw and allow countries of the regions to solve their own problems, to increasingly iden-tifying President Saddam as the root of these problems. Ayatoliah Ali Khamenel, Iran's spiritual leader, has called Saddam an incompetent called Saddam an incompetent ruler who brought ruin upon himself and his country through his Kuwait adventure, while Ayatollah Mohammad Yazdi, the head of the judi-ciary, has sald that Saddam must be tried as a war

The shift is a measure of the success of Mr Saddam Hus-sein's internal security forces in crushing internal unrest, staged mostly by the discon-tented Shia population in the south and the Sunni Kurds in the north. Iran was careful not to appear too supportive of the Iraqi opposition coali-Iraqi opposition coalition – which includes the Shia groups - at the beginning of the uprising, but has been sorely disappointed that the chance to remove Mr Saddam is rapidly fading.

For its part, unnerved by the revolts and anxious to blame them on a foreign enemy, Iraq has abandoned its own caution

has abandoned its own caution towards Iran, accusing it of fomenting trouble in the south by sending in saboteurs across the border – charges which Iran denies.

However, the Iranian news agency has been giving extensive coverage to the disturbances in Iraq, reporting successes which the Iraqi government claims are exaggerated. Tehran radio has also been keeping a tally of defections from the Iraqi army and the Republican Guard.

A new radio station, the A new radio station, the

Voice of the Islamic Republic in Iraq, began broadcasting material hostile to President Saddam, from its base in Iran less than four weeks ago. Tehran is also home to the main Shia opposition group, the Supreme Council of the Islamic Republic in Iraq, headed by

Ayatollah Mohammad Baqr al Hakim. Both countries have accused the other of violating the 1988 ceasefire agreement. In a move ominously reminiscent of the situation before Iraqi troops invaded Iran in September 1980, Iraq sent a letter of pro-test to Mr Javier Pérez de Cuel-lar, the UN secretary general, on Sunday, listing Iranian attacks on Iraqi positions on its side of the border.

Iran has also firmly ruled out a return of Iran aircraft which flew to Iran during the height of US military operations. This week, Dr Ali Akbar Velayati, Iran's foreign minister, denied that Iran was holding 148 aircraft as Iraq maintained and said it only

maintained and said it only had 22 — a claim that has mystified Western military analysts, who also support the higher figure.

Mr Hassan Ebrahim Habibi, the Iranian first vice-president, denied last month that Iran was considering holding on to was considering holding on to the aircraft as war reparations. "The damage inflicted on Iran during the eight-year war is so huge that a few second-hand and wrecked planes cannot compensate even one thoupoints of democratic reform FACED with a 17,000-strong street demonstration in central Taipei that threatened to become violent and protracted,

Taiwan's ruling Kuomintang (Nationalist Party) yesterday gave way to the opposition on crucial points of democratic reform.

The island's Kuomintangdominated National Assembly is currently meeting to end a state of war that it has main-

tained against Peking since Although it has long since been merely a war of words with the communists who threw them out from the main-land, the Nationalists have kept Taiwan under a form of emergency rule that suspended the constitution and precluded

full democracy.

After leading a night-long 10 km march through central Taipei accompanied by an estimated 15,000 riot police, Democratic Progressive Party lead-ers called off the protest when the Kuomintang agreed to consider revising parts of its proposed amendments to the constitution.

Under the Kuomintang's original plan, the powerful and furtive National Security Council, which oversees intelli-gence activities, and two other agencies under it that were set up to deal with subversive activities, would retain their present status, outside the control of parliament and under the direct supervision of the

Taiwan government gives way on

The National Security Coun-The old mainland cadres are supposed

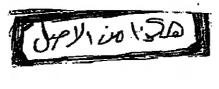
to scrap the emergency war clauses, thus ending their own marathon tenure, and retire by the end of the year.

cil was set up originally to counter the communist threat. Opposition politicians say they fear that as the Kuomintang pursues rapprochement with the Chinese communists with a view eventually to reuniting Taiwan with the mainland, these agencies would increasingly become tools for suppressing the outlawed Taiwan independence movement, from which the DPP derives consid-

Under a consensus reached by the two parties in the early hours, the legal status of these three bodies could not be fixed before a completely new local-ly-elected National Assembly meets to amend the constitution further in 1992.

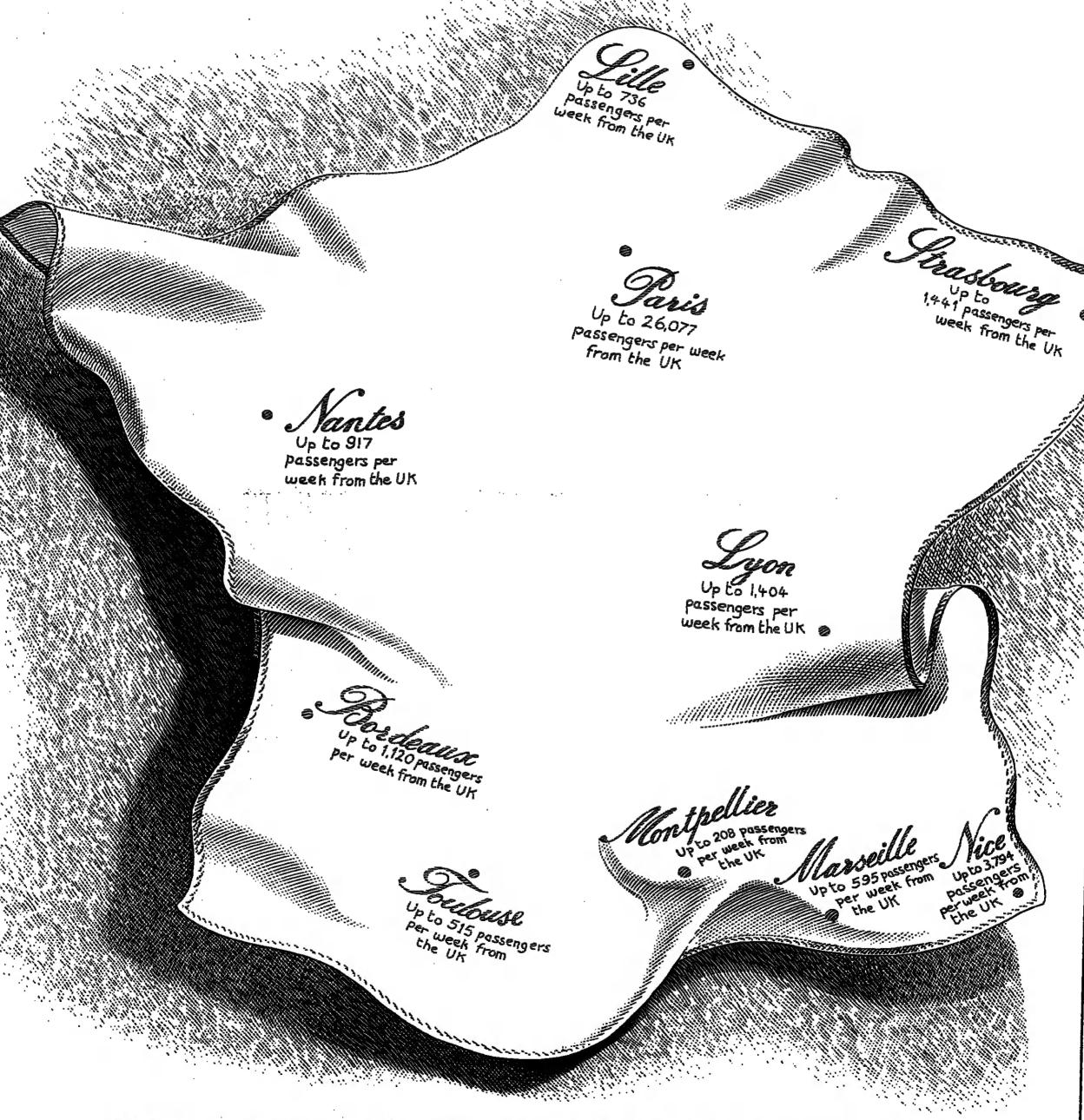
The present National Assembly is dominated by ancient Kuomintang cadres elected in mainland China when the Nationalists were still in control them. Nationalists were still in control there more than 40 years ago. Under the continuing state of "war", they have been frozen in office indefinitely. Despite their age they are now being entrusted by the Kuomintang to make initial changes to the constitution in reliable. to the constitution, in which the state of war has been

The old mainland cadres are The old maintaid cadres are supposed to scrap the emergency war clauses, thus ending their own marathon tenure, and retire by the end of the year. A new assembly will then be elected from the people of Taiwan, plus a few from overseas Chinese groups. The Kuomintang yesterday also accepted the DPP's demand that any recalcitrant seniors be that any recalcitrant seniors be forced to step down by the



FINANCIAL TIMES FRIDAY APRIL 19 1991

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THE FINE ART
OF FLYING

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Denmark may veto the lifting of sanctions

Pe Klerk
miciative fi

PRESIDENT George Bush vesterday unveiled plans for a national voluntary system of examinations as part of an ambitious strategy for raising the quality of American education.

Mr Bush said his "America 2000 Strategy," which builds on educational goals agreed jointly with state governors in 1989, would create a "new gen-eration of schools" for tomorrow's students while making existing schools "better and

more accountable".

The 34-page blueprint devised by Mr Lamar Alexander, the Education Secretary, contains "bold, complex and long-range" reforms that will require change in every American community and home.

The most controversial element is likely to be a voluntary national examination system.

national examination system, called American Achievement Tests, which will lay down

Preferred Communications said, Reuter reports

The ruling stems from a suit filed Preferred Communications, which alleged the City of Los Angeles violated its right to free speech by prohibiting it from operating a cable television system in the city. Among the requirements struck down by US District Judge Consuelo Marshall was the standard that only one operator be allowed to serve one area of the city.

Judge Marshall also struck down requirements that a would-be cable supplier provide

access production facilities, equipment and staff

for non-commercial programming purposes, and that an approved franchise be for a set term.

requirements in the core subjects of English, mathematics, science, history and geography. The plan also envisages the creation of a business-financed non-profit organisation – the New American Schools Development Corporation - that would award contracts for the development of non-traditional types of school. Research and development

Research and development teams could include compa-nies, universities, think-tanks, management consultants and others. There will be limited federal support for the start-up costs of 535 new-style schools. New incentives to encourage choice in education are also choics in education are also a main plank of the new strat-egy. The administration wants states and localities to give parents greater freedom to choose schools. It proposes restructuring federal assistance for disadvantaged pupils so that cash follows students to

the school of their choice. The administration also intends to boost vocational education by encouraging busi-ness and labour to devise jobrelated skill standards and 'skill certificates". Better teacher performance

will be sought through higher pay for teachers who achieve high standards, teach core sub-jects, serve as mentors for new teachers or teach in challenging environments. The admin istration will seek congressio-nal support for alternative forms of teacher certification.
The proposals for national tests are likely to attract the most vocal opposition. States and localities, which have primary responsibility for education, have jealously guarded their independence in the past. Many Congressmen are opposed to both national testing and measures to boost com-

#### opposed to both national test-ing and measures to boost com-petition between schools. Court rules on | Rail strikers cable franchise ordered back

By Nancy Dunne in Washington

A FEDERAL judge in Los Angeles ruled that many of the requirements imposed on cable operators by local governments are unconstitu-PRESIDENT George Bush yesterday signed emergency legislation ordering 250,000 US rail workers back to work after just one day on the tional under the First Amendment, attorneys for

picket lines.
The legislation was whisked through Congress in a day, to forestall a strike which could have left 500,000 workers idle in industries dependent on the railways. The president was woken at 1:39am yesterday to sign the bill. By 7am most of the strikers were back on the job.

The strike came after three years of negotiations on some of the most complex issues ever to come before the National Mediation Board, according to its chairman, Mr Joshua Jayits. A according to its chairman, Mr Joshua Javits. A presidential emergency board was created in May 1990 to resolve the dispute. It held 219 hearings on health and welfare issues under dispute and issued a set of recommendations which pleased neither unions nor management. Unions were displeased with board proposals which backed a reduction in the size of train grows long cought by management.

The court upheld the constitutionality of some of the other franchise requirements and awarded Preferred nominal damages, Prewhich backed a reduction in the size of train crews, long sought by management. The rail companies were unhappy with the size of the wage increases recommended, averaging about 3-4 per cent a year over the next three years. The legislation establishes a new emergency board to resolve remaining points of disputes or ambiguities in the previous board's recommendations. It said the city of Los Angeles plans to appeal the ruling back to the Supreme Court, which in 1986 upheld Preferred's right to challenge the municipal franchising process.

PRESIDENT Carlos Menem of Argentina has gone on the offensive against corruption, the national government.

Mr Menem said: "There is no doubt that we are facing a very an issue over which he has recently come under attack in

the media. In a television address on Wednesday evening, Mr Menem announced a crackdown on corruption and drug trafficking. He also dissolved a scandal-ridden provincial gov-ernment whose own political difficulties were threatening

dangerous enemy, an enemy which intends to establish itself in countries like Argentina that have raised the hanner against drug-trafficking and all that is associated with

Government officials and even members of Mr Menem's extended family are alleged to tion and drug trafficking. However, he has done little to investigate the accusations. Mr Menem promised the investigation, trial and punishment of organised crime' which he said was involved in

Menem goes on the offensive against corruption

"drug trafficking, money laun-dering, smuggling, fraud and tax evasion". The air force is also to co-operate with the US in an aerial survey to locate coca plantations and illegal air-string

Mr Menem's political problems are undermining his efforts to control the economy. Mr Menem could also win support in the crucial gubernatorial and congressional elec-tions in September after replacing the Peronist government of Catamarca, an impoverished northwestern province, with a federal administrator.

Catamarca has become a potent symbol of all that is rotten in Argentina.

Mr Ramon Saadi, the gover-nor, failed to placate protesters who claimed that nepotism, corruption and drug smuggling were rife within the adminis

The suspicious death of a teenage girl last September sparked off weekly anti-government protests. The demonstrators claim the Saadi family, which dominates local political protected cronies implicated in her death.

# Mining ban splits Antarctica's guardians

Treaty nations differ on how long to protect white continent, writes Leslie Crawford

HE 39 signatories of the Antarctic Treaty Sys-tem are set to lock horns again over the conten-tious issue of mining in the white continent when they meet for an environmental con-ference in Madrid on Monday. The guardians of the Antarc-tic have so far failed to draw up a new set of environmental safeguards for the last great wilderness on earth because they cannot agree on whether to ban mining forever or to allow the exploitation of Ant-arctica's hidden oil and min-eral riches sometime in the

The debate has been sharp ened by the legacy of the Gulf War - 800 oil wells on fire or gushing out of control in Kuwait. Supporters of regulated mining in the Antarctic believe the struggle for control over the world's oil resources will intensify. They argue that the Antarctic Treaty would be planting the seeds of an inter-national crisis if it were to

deny the world access to its estimated 45m barrels of oil. Environmentalists argue with equal conviction that disasters will only be averted from the white continent if mineral exploration is never

allowed to take place.

The question has split the
Antarctic Treaty nations into
two. But after the deadlock that frustrated all progress at a three-week meeting in Chile last November, there are signs that hardliners on both sides are shifting ground. Britain last month dropped its defence of a defunct minerals convention that sought to

Greenpeace, the environment pressure group, and Mr Paddy Ashdown, leader of the Liberal Democrats, yesterday accused the British government of secretly supporting a policy which would allow mineral exploration and extraction in Antarctica, writes

John Hunt, Environment Correspondent. Mr Ashdown wrote to Mr John Major, the prime minister, saying he had seen the Brit-ish proposal which was circulated to other Antarctic treaty parties before their meeting

Its isolation had become clear at the Chile conference and, in "Australia will not support a moratorium because it implies that mining will almost inevitably take place after the prescribed period of time has elapsed," an Australian official said in Canberration month. March, Mr Tristan Garel-Jones, the UK foreign office minister, said Britain would propose a mining moratorium in an attempt to forge a consensus at the Madrid meeting.

Australia's position appears At the other side of the spec-trum, a group led by Australia, France, Belgium and Italy are still – officially, at least – campaigning for an outright prohibition. to leave little room for man-ceuvre, let alone negotiations. However, some delegations believe the group led by Australia may agree to discuss a prohibition. moratorium of 50 years or

The quarrelling parties know that failure to reach a compro-mise solution would strike at the very heart of the Antarctic Treaty System, which has been held as a model of interna-tional co-operation since its

in Madrid next week, but which was not

given to MPs. He said the document showed

given to Mrs. he sain the document showed that Britain intended actively to promote a mining regime at the conference.

Greenpeace is pressing for the continent to become an international nature reserve. Lord Melchett, director of Greenpeace, protested that UK policy would mean a morato-

rium on mining for a fixed term, probably 20 years, to be followed by a minerals agree-

inception in 1961.

The treaty established the world's first international peacs zone and froze all territo-rial claims. Military installations, nuclear tests and the

dumping of radioactive wastes are forbidden. Scientific research promoted by the treaty has helped unrawel some of the secrets of the world's climate. The ozone hole was first detected over the Antarcnrst detected over the Antarotic, and now key work is being
done on the "greenhouse
effect" of global warming.
Mr Curtis Bohlen, who will
be heading the US delegation
to Madrid, recently told Congress that "aithough the parties remain far apart on the minerals issue, there appears to be a universal determination

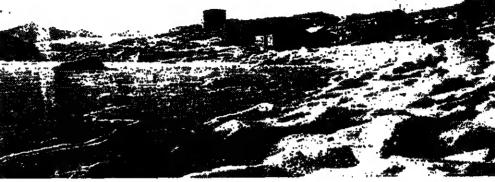
to find a workable compromise in Madrid".

There was broad agreement. he said, on stricter environ-mental safeguards for scientific work, on the need to regulate tourism and limit the prolifera-tion of research bases on the continent. These number more than 40, and Greenpeace, the environmental pressure group, frequently denounces their lax

environmental standards.
If some form of mining more torium is sgreed at the Madrid meeting, the debate will almost inevitably shift to what hap-pens after the ban expires. Countries such as Australia and New Zealand are expected to campaign strongly for an open-ended moratorium which could only be terminated if all contracting parties agreed. This would establish a de facto permanent ban as any one nation would have the power to veto a mining regime. Chile, whose position is close to Britain's, will seek to reverse the tables by arguing that an extension to the more-

torium should require the

approval of all parties.



One of several British bases on Signy Island in the last great wilderness on earth

#### **WORLD TRADE NEWS**

David Buchan reports on the EC association accord with Hungary, Poland and Czechoslovakia

# Brussels opens its doors to trade with eastern Europe

Hungary have put their collective weight against the EC's door, shoved, and won themselves further valuable access to the European

Community market.

It now seems certain that these three countries will this year reach a new type of association accord with Brussels, extending to them by the turn of the century the freedom of movement of goods, services, labour and capital in the Community's single market, and an option on full EC

Only a couple of weeks ago, how-ever, the eastern Europeans were fulminating at the Community's hypocrisy in showering them with fine political words empty of eco-nomic content. Sensitive to this charge, on Monday EC foreign min-isters softened the EC's negotiating stance in several key respects.

• Membership of the EC may now figure in the preamble to the agree-

POLAND, Czechoslovakia and ments as "an ultimate, though not coded this, believing the three states are likely to be in a second wave of new members, after some European Free Trade Association (Efta) countries join in the mid-1990s. But this preamble could come back to haunt Brussels, as has the reference to pos-sible membership for Turkey in the 1963 EC-Turkish association agree-

> • The EC has dropped its call for a review half-way through the 10-year period during which trade barriers will be phased out. Hungary, in par-ticular, argued that such a review, giving the EC a chance to go back on its free trade words, would discourage western entrepreneurs wanting firm assurance of an EC outlet for their investments in eastern Europe. But the EC still wants a mid-term review of liberalisation in services, capital and labour.

	Exports to	the EC	Imports f	rom the EC
	Jan-Sept 1989	Jan-Sept 1999	Jan-Sept 1989	Jan-Sept 1890
Poland	2,83	3.70	2.83	2.85
Czechoslovakie*	1.84	1.95	1.63	1.76
Hungary	1.84	2.10	2.14	2.09

more time to erect tariffs which they more time to etect tariffs which they will then spend the next 10 years dismantling. With these negotiations coming so relatively soon after the collapse of communism, the eastern Europeans have removed all the non-tariff barriers of central planning without yet replacing them with a transparent tariff system. with a transparent tariff system. Thus, in many cases they are left with markets more open and volnerable than the EC, contrary to the agreed aim of phasing in free trade so as to benefit the eastern Euro-

and Trade says.

However, in its first review of an eastern European country's trade policy, Gatt suggests that its members could behave better towards Hungary

gary.

Hungary badly needed more foreign capital and a "supportive external environment" to push through its economic reforms and make its trade regime compatible with that of the west.

Countries with convertible

Countries with convertible currencies had to lower barriers further to imports of Hungarian farm produce, steel, textiles, clothing and other consumer goods, the Gatt secretariat said in the report presented yesterday in the Gatt countil.

Hungarian agricultural exports, in particular, were fac-ing serious difficulties in gain-

ing access to markets in

Europe and elsewhere. Not only were they running into trade barriers, they were also

being hurt by massive export subsidies, which depress world

Successive devaluations of the forint, coupled with plum-meting demand for Hungarian

exports among its former east

bloc trading partners, have stimulated exports to the west.

market prices.

peans faster than the EC. A further complication is that a long-standing member of the General Agreement on Tariffs and Trade (Gatt) like Czechoslovakia will need its Gatt partners' agreement to raise its very low "bound" tariffs of 4-5 per cent on

average.

Already the US is grumbling that eastern Europe will be making a general increase in its tariffs, followed by a selective reduction only towards the EC. Washington's counter has been to twist the knife in the EC's side by insisting the planned EC-central European free insisted on a special regime for coal. trade area conform with Gatt in covering all aspects of trade, including agriculture.

Partly as a result of this, EC members overruled Spain in promis-ing extra concessions on farm exports. East Europeans will be probably able to sell more fruit, vegetables, pork, game, rather than mainline items like cereals, beef, lamb, dairy products that will continue to get the full protection of the Common Agricultural Policy. Northern EC members overruled. Mediterranean objections to giving eastern Europe more on textiles and steel. All textile tariffs will disappear over the 10 year transition period (despite complaints from Portugal and Greece), while steel import duties and quotas will go within five years (against Spain's wishes). But the country most concerned to keep out eastern European (mainly Pol-

● To help the three eastern economies integrate, the EC is now ready to allow regional "cumulation" in its rules of origin. For example, a prod-uct exported from Poland but using components from Hungary or Czechoslovakia would not, by virtue of those components, be considered eny less "Polish" or less eligible for duty-free entry into the EC.

The Commission had hoped to open up the EC labour market more, in particular by "communitarising" any implementation contacts grant by

any immigration quotas granted by individual EC member states to eastern European workers. But Britain, for one, opposed this.

The main EC focus is on promis-

ing non-discrimination for those eastern Europeans already legally established in an EC state, rather than letting them move around the Community more easily or letting more come in from outside.

#### State trade barriers in **US** anger the EC

EXPORTERS to the US face more and more trade and regulatory hurdles erected at the state, rather than federal level, the European Commission complained yesterday in its annual report on America's trace barriers, writes David Buchan in Brussels.

"We are searching for ways of influencing state legislation," a Commission official said, "but our problem is that our diplomatic contacts are with Washington which tells up to the little works and the said. us how little control it has over individual states".

The EC report stresses that shutting foreigners out of state contracts matters because of the growing proportion of public spending by state governments rather than the defict-ridden federal government. It says setting by states of fiscal technical and environmental standards also causes foreigners problems. Brussels claims Washington has refused in the Gatt talks to give a clear undertaking that its states will vent, competition in many areas of the economy. The sim-ple average tariff at 16 per cent was higher than in most develbe bound by an international

The EC also expresses concern at the tabling last year in Congress of more than 20 bills restricting foreign investment.

#### Seoul in OECD bid

South Korea is stepping up its efforts to join the Organisation for Economic Co-operation and Development and aims to become a full member of the group of 24 industrialised nations by the mid-1990s, the Economic Planning Board, the top economic ministry, said, writes John Ridding in Secul. Once a member South Kores will be expected to comply with the OECD liberalisation code on invisible transactions, which includes all non-commerce trade, and capital move-

#### China retail venture

Yaohan International, a Hong Kong-based Japanese retailing and catering group, is to build China's first foreign-owned department store at Pudong, a special economic zone to be developed in Shanghai over the next 20 to 30 years, writes John Elliott in Hong Kong.

It is taking a 51 per cent stake in a HK\$780m joint ven-ture with Shanghal's No 1 Department Store to build China's largest shopping centre. Construction starts next year.

# MORTGAGE RATE

With effect from close of business on 1 May 1991 House Mortgage Rate will be decreased from 13.85% to 12.85% per annum for all existing borrowers. The new rate is effective immediately for new borrowers.

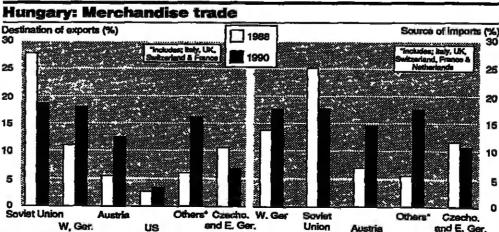


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# Hungary gets 'try harder' nod from Gatt

Report calls for better behaviour from its members in return, writes William Dullforce UNGARY still needs to make many changes to become an open economy offering predictable and stable trade conditions, the General Agreement on Tariffs



Hungary achieved a record surplus of almost \$1bn in trade in convertible currencles last

Source; UNSO, Comtrade, Govt of Hungary

Nevertheless, with debt-servicing obligations that exceeded half the value of its convertible currency exports in 1989, only a further expansion of exports could underpin Hungary's ability to pursue the

structural adjustment of its economy, says Gatt.
Gatt it acknowledges that Hungary is becoming "a more attractive place" for Gatt mem-bers to do business, but the secretariat remains critical of the pace of reform. Foreign businessmen's confidence

could be boosted by swift pri-vatisation and a clearer definition of the future role of stateowned enterprises, it suggests. State authorities still had wide discretion to introduce trade restrictions; criteria or guidelines for decisions by the authorities were either lacking or remained opaque. Adminis-trative decisions could not be challenged before courts and no independent statutory body carried out a regular review of

trade policy.
In response Hungary told the Gatt council that the success of the privatisation process depended to a great extent on the inflow of foreign capital. Under the new constitution state enterprises were guaran-teed the right to operate inde-

tions equipment, pharmaceuticals and consumer goods were still subject to licensing. Hun-gary maintained a global quota from market economies.

pendently and only an overtur-dened legislative programme had prevented parliament from replacing outdated laws.

Substantial liberalisation of imports appeared to have been achieved, Gatt said, but a wide range of products, including transport and telecommunica-tions equipment, physprocessis.

on imports of consumer goods These import restrictions and relatively high tariffs

Levies and charges on imports other than tariffs were substantial, Gatt reported. They included a 2 per cent customs clearance fee on imports settled in convertible currency. A new import regime is being prepared for farm products. Export subsidies to Hungarian farm products totalled ian farm products totalled about \$370m in 1990 and sup-

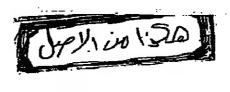
oped countries.

The Hungarians say reductions in a large number of products introduced in February have cut the average tariff rate to 13 per court

rate to 13 per cent. Levies and charges on

port will continue under the economic reform programme outlined in September. The Hungarians say there are no other subsidies and point out that, as a member of the Cairns group of farm-exporting countries, they have been pressing for worldwide cuts in farm subsidies in the Uruguay Round trade talks. Currency convertibility was

a major concern to foreign traders in doing business with Hungary, Gatt commented. The Hungarians said that, after a further rise in prices this year, strengthened budget dis-cipline and a liberal import policy were expected to slow inflation, stabilise the currency and provide a basis for making the forint convertible in 1994.



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S FRIDAY WRILL BY

Slump in the first of the plants of the first of the factory output the state of the same and the s speeds up

By Peter Marsh,

MANUFACTURING output appears to be falling at a faster rate according to figures released yesterday. This has underlined concern that the

recession is some way from reaching a trough.

Officials at the Central Statistical Office (CSO) estimated that seasonally adjusted output by volume fell in February at an annual vate of E per cent an annual rate of 9 per cent, as against the 8 per cent seen in both January and in December

Since manufacturing production reached a peak a year ago, it has declined each month, it has declined each month, mirroring Britain's overall economic decline. In November, the CSO's estimate of the year-on-year fall was 6 per cent. In October it was 3 per cent. Although manufacturing accounts for less than a quarter of overall UK output, activity in this sector is important as many areas including second.

as many areas including services depend on it.

The reduction in factory out-

put was partly offset by increased production by the energy and water industries, which in the period between December and February saw a spurt in output of 0.3 per cent compared with the previous

three months.
This was due mainly to improved output by the North Sea oil sector, sparked by an end to equipment maintenance and increased demand for energy resulting from the February cold snap.

Yesterday's figures will increase interest in next month's release by the govern-ment of the manufacturing sta-tistics for March, which could contain some hints of an showed the service sector in the southeast worst hit. The

#### UK NEWS

Magic fades but controversy remains as Scotland's first privately financed toll-bridge gets the go-ahead

# German company to share contract for Skye bridge

THE WEST German company, Dywidag, in a joint venture with the Edinburgh-based Miller Group, were yesterday nominated as the Scottish Office's preferred contractor to build a bridge across to the Isle of Skye at a cost of £23m, writes James Buxton, Scottish Correspondent. The controversial project,

which will remove some of the magic of going over the sea to Skye, off north-west Scotland, is to be financed by tolls levied for 25 years by a consortium involving the contractors and Bank of America. These will be based on the current one-way ferry charges of 54 for a car,

adjusted for inflation.

The bridge will be the first privately-financed toll bridge in Scotland, Trafalgar House is



Impression of the bridge: likely to be the largest of its kind in the northern hemisphere.

to be built by John Lzing and struction for the tender. They GTM Entrepose of France are to construct a box-girder cross the Severn.

bridge made of pre-stressed to oversee the financing, conMiller Group and Dywidag concrete with a central span of struction and operation of the

completing a privately-fi-nanced toll bridge across the Thames at Dartford and one is gar House and Morrison Con-gar House and Morrison Con-A company named Skye Bridge Tolls has been formed

bridge. Bank of America, which is also involved in the Dartford bridge, will provide finance. Construction is expected to start next April for completion in April 1995. As well as finalising a con-

tract with the Scottish Office, the start depends on parliament passing the new roads and street works bill which enables projects of this kind to go ahead without a separate

Mr James Miller, chairman of Miller Group, said he was confident that the bridge would pay for itself in 25 years the ferries carry 450,000 vehicles a year.

The project has been sur-rounded by controversy. Though most of the 9,000 resi-dents of the island believe it

**UK** unemployment

service operated by the state-owned Caledonian MacBrayne, which is subject to long delays in the summer, they object **World Trade Editor** 

strongly to having to pay tolls on the new bridge. Opponents of the bridge fear it will irrevocably alter life on Skye.

However the Scottish Office has said that if Skye were to obtain a toll-free bridge in the normal course of the roads are normal course of the roads pro-gramme it would have to wait

well into the next century. Environmentalists have said the bridge would ruin a fine view of the Hebrides and some proposed building a tunnel. The Scottish Office rejected that idea as too costly but the height of the bridge was lowered by 5m to 30m in order to blend better into the scenery.

#### **Export chief** backs move to review reinsurance

By Peter Montagnon

MR MALCOLM Stephens, head of the Export Credits Guaran-tee Department, intervened yesterday in the controversy over the government's willing-ness to reinsure export credits to politically risky developing countries following the partial privatisation of his depart-

ment later this year. Defending the decision by Mr Tim Sainsbury, trade minister, to overthrow a parliamentary amendment requiring that such reinsurance be available for three years, he said the government was still making a "significant" commit-ment to such a facility.

The three-year limit imposed by the amendment was limited in time. The government's alternative proposal to keep the need for political risk cover under continuous review meant that the facility would be available as long as needed with no limit set on the level. with no limit set on the level or duration of the govern-ment's commitment, he said.

Mr Stephens also tried to caim exporters' fears that the private market would be unable to provide sufficient general commercial risk reinsurance following the privatisation. The bulk of such rein-

sation. The bulk of such rein-surance commitments have already been placed, he said. In a clear indication that ECGD's tough approach on credit to developing countries was likely to continue, Mr Stephens warned against the "conventional wisdom" that "conventional wisdom" that economic resurgence in Latin America meant the debt crisis was over. It was wrong to pre-sume that debt reduction improved a country's creditworthiness to the point where it could borrow again, he said.

# Unemployment scales new peaks

Rachel Johnson examines the bleak prospects in the job market

ESTERDAY'S unemployment figures offered more than just history. With their clear mes-sage that unemployment is yet to peak, they provided a strong antidote to loose talk of the recession bottoming out. First, the milestones. The

First, the milestones. The 112,000 monthly rise in seasonally-adjusted unemployment in March was the biggest since records began 20 years ago; it was the first time the jobless total had passed 2m since December 1968, to reach 2 lm; and the Department of Employment announced the first "significant" drop in service sector

nificant" drop in service sector employment for nine years. This corroborates the picture that started to emerge at the start of the recession, which

latest data also confirms the recession struck quickly. Employment in the 15m-strong service sector grew by 86,000 in the second quarter of last year. By the fourth quar-ter, this had turned into an 82,000 fall even bigger than the 72,000 fall in the manufacturing sector (around 5m

employees).
Unemployment is still rising fastest in the south-east. In Northern Ireland - an area which has resisted the national trend of rising unemployment - there was also an unusually big increase in March, as the alowdown in the housing market held up spring recruitment in the construction industry.

After the twelfth consecutive

monthly rise in unemployment, however, these dispariUnemployment is now rising in all regions and in all parts of the economy.

ment rate, which rose to 7.4 per cent of the workforce from 7 per cent in February.

all regions and in all perts of the economy.

On the basis of last month's figures alone, it appears that the recession is as deep as the one in 1990-1981. The biggest monthly fall in the last recession was of 109,600, which occurred in November 1980.

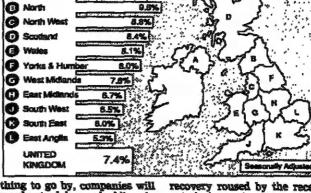
Because unemployment data lags behind economic activity by about six months, the question that needs answering now is how much, and how long,

is how much, and how long, unemployment will continue to rise in the light of the govern-ment's forecast which it repeated yesterday that ecomic growth is due to return in the second half of this year.
Earnings, unit labour costs
and productivity figures pub-lished yesterday did not offer
signs of the recession lifting or of a slowing in the unemploy-

Average earnings across the whole economy eased a little, by a quarter of a percentage point, to produce an underly-ing increase of 9% per cent in the year to February. Government officials said it would be misleading to read too much into these falls.

Lower wage settlements were exerting less of an influence than the decline in bonus payments and overtime hours worked as a result of the reces-The recession has also

depressed production to such an extent that wage and salary costs per unit of output have risen to their highest level for a decade-11.6 per cent in the three months to February. If the last recession is any-



thing to go by, companies will accelerate labour shedding in order to keep down wage costs and factory gate prices, he says. This week's producer-price data has suggested that companies are resisting catting factory gate prices in order to stay in business so the redun-dancy rate is likely to rise. The bleak labour market fig-

ures have set back hopes for a

recovery roused by the recent cuts in interest rates.
The Treasury said the rise in unemployment was "yery regrettable." But it pointed out that the rise did not necessar-ily mean that the recession was "still deepening". With one set of figures, talk of bot-toming out as been overtaken

by concern that the recession has not yet touched its trough.

# Tory energy policy criticised

THE GOVERNMENT'S energy policy is fiercely criticised in a report on energy efficiency published by the House of Commons energy committee

The strongly-worded report condemns the energy secretary's view that energy effi-ciency can be left to market forces, and urges the government to set out a comprehen-sive and vigorous efficiency

Among the report's key recommendations are: for a carbon or energy tax.

• A tax on fuel or vehicles and a scheme to minimise private transport and improve public transport. The committee was "particularly dis-turbed" by the government's lack of clear objectives in this

• Speedy introduction of tighter building regulations and a national energy labelling scheme for buildings. The government should "accelerate its somewhat relaxed timetable", the report says.

Obligatory introduction of

trained energy managers at local authorities or large companies.

• Intensive publicity for highefficiency lighting and the
energy labelling of home appli-

Reform of the regulations governing the electricity and gas industry to remove disin-

efficiency. The report said that EC tar-gets, due shortly, for cutting carbon dioxide (CO2) emissions would give the UK an impor-tant goal, since cutting energy consumption was one impor-tant way of reducing CO2.

It said the government had failed to assess the cost-effec-

failed to assess the cost-effec-tiveness of different energy tary's objection that cost-effec-

tiveness was an inaccurate sci-

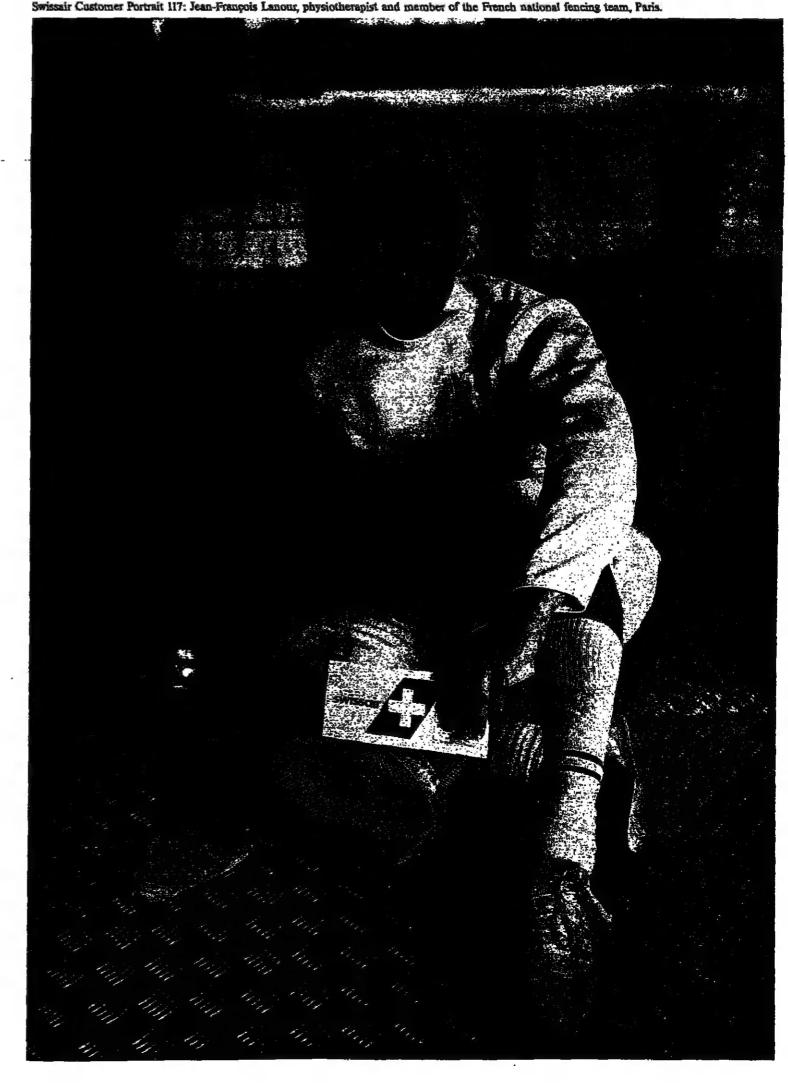
ence, the committee insisted that there was no alternative. The modest government esti-mates for the contribution

energy efficiency measures could make to CO2 reductions suggested that the government was willing to let large poten-tial savings remain unrealised. The government must inter-

vene to promote energy effi-ciency. More importantly, the government should not impose costs on the economy in pur-suit of CO2 emission reduccentives for promoting energy tions unless it had fully explored energy efficiency alternatives." This would rule out investment in nuclear power to reduce CO2 while options such as home insula-

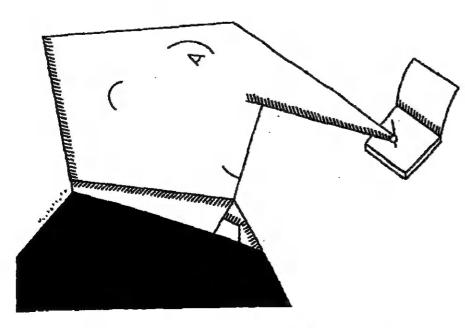
tion were neglected.

Mr Simon Roberts, of
Friends of the Earth, the conservation group, said yester-day: "There were 27 explicit criticisms of the government, and 20 implicit criticisms. The government will not be able to dodge this report."



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# to safeguard **Kurds**

By Ivor Owen

MR TOM King, the defence secretary, told the House of Commons yesterday that Britain was determined to act with the utmost speed to get the Kurdish refugees to safe havens in northern Iraq.

Replying to claims by opposition Labour MPs who warned that the commitment of British troops might prove no more "temporary" than the pro-longed military presence in Northern Ireland, Mr King said that the humanitarian consid-

erations were overwhelming.

He acknowledged, however, that "it would have been much safer to stay out of this alto-

gether". Mr King, who revealed that some helicopter crews who had served in the Gulf war had returned early from leave to assist the Kurdish refugees, said it was imperative to res-cue them from the appalling climatic conditions on the mountains on the Iraq-Turkish

The initial purpose was to give those close to the end of their lives a chance to survive in the safe havens being created as a result of the initiative by Mr John Major, the prime

Mr King warned "There is no guarantee yet it will succeed". He assured MPs that the British forces protecting the Kurds in the camps to be established for them in northern Iraq would be able to defend themselves against any attack by the forces of President Sad-

He also warned that any interference with the aid effort would be "very severely dealt with indeed".

The disclosure, meanwhile, by Mr David Mellor, chief secretary to the Treasury, that contributions from other nations would largely cover the £2.5bn cost of Britain's par-ticipation in the Gulf war fuelled further criticism from Labour MPs that more resources should have been devoted to relieving the plight

of the Kurds. He said cash contributions made or promised by other governments, including the most recent \$1bn pledged by Saudi Arabia, totalled £2bn.

# King pledges Banker quits top post at rapid action translad arm of NatWest troubled arm of NatWest

By Richard Waters

THE sudden and unexpected resignation was announced yesterday of Mr Howard Macdonald, the chairman and chief executive of NatWest Investment Bank, the troubled subsidiary of National Westmin-ster Bank.

The departure of Mr Macdon-ald, one of the City's best-paid bankers last year, comes in the wake of a warning from Lord Alexander, the NatWest chairman, that the investment bank has two years to return a profit on its securities business or face closure.

NatWest fought yesterday to depict Mr Macdonald's resigna-tion as a natural progression in the development of NWIB. However, coming after only two years, it marks a further severe blow to the senior management of the bank.

Formed to take advantage of the City's Big Bang reforms in 1986, NatWest lost its first chairman and chief executive, Mr Charles Villiers and Mr J Cohen, after big losses experi-enced in 1987. Both currently face criminal charges over the Blue Arrow affair.

Their successor. Mr Terry Green, a NatWest director, who ran the investment bank for a year, was later forced to resign



Macdonald: a loss to NatWest

following a critical Department of Trade and Industry report into the Blue Arrow affair. Mr Macdonaid, a tough Scot whose background had been in the oil industry, was brought in to rebuild the bank's senior management and to bring it through the traumatic aftermath of Blue Arrow. Coming after only two years, his departure appears to leave that job incomplete.

In a statement yesterday, though, Lord Alexander said: "Mr Macdonald has completed the task for which he was

cessful in introducing the pro-cedures and the senior person-nel necessary for putting NWIB on a firm footing for the

Mr Macdonald is replaced as chairman by Sir Geoffrey Lit-tler, 60, whom he recruited from the Treasury two years ago. The new chief executive will be Mr John Drury, a 39-year old Australian who joined the bank last year from Capel Court Investment Bank.

Sir Geoffrey suggested yes-terday that Mr Macdonald had been looking for the right moment to leave, after a "very, very wearing" two years dur-ing which he had had to cope with the backlash from clients to the Blue Arrow charges, and with a slump in the securities

NWIB plunged to a £49m loss NWIB plunged to a £49m loss last year, due to losses in its equities division. That brought its losses in its six years of operations to a total of £275m.

Mr Macdonald's own income has made headlines in recent weeks, and is thought to have caused resentment at a time when NWIB is struggling to when NWIB is struggling to cut costs. He was paid £497,612 in 1990, a 60 per cent increase

# Shareholders call for sweeping changes in the boardroom

**By Richard Waters** 

A BLUEPRINT for the way UK company boards should be run was put forward yesterday by the Institutional Shareholders' Committee (ISC), a body representing the UK's main institu-

tional investors. The ISC's proposals, include: Separating the roles of chairman and chief executive; Appointing strongly independent non-executive directors to company boards; • Completely separating executive directors from control over the way their pay is set.

Mr Mike Sandland, ISC chairman, said the statement was not intended to be coufrontational. It was produced because companies had sought the views of shareholders.

The intention was to codify best practice, rather than pro-duce a list of requirements for companies to follow, he said

The ISCs paper rejects the idea of splitting company boards into two, creating separate management and supervisory boards.

All directors, whether executive or non-executive, "have an equal responsibility in helping to provide their company with effective guidance and leadership," it says. Non-executive directors,

however, are expected to take on many supervisory jobs. Non-executives, says the ISC, should be independent. That is more likely if they have not been employees of the company in recent years, have not acted as its professional advis-ers, and are not significant suppliers or customers. Also, non-executives should

not normally benefit from incentive schemes, should not be in the company pension scheme, and should not be entitled to compensation for

loss of office.
The ISC adds its voice to others in recent years who have called for a division between the roles of chairman and chief executive

The Role and Duties of Direc-tors – A Statement of Best Practice, Institutional Share-holders' Committee, 10-15 Queen Street, London. Management, Page 10.

# **BRITAIN IN**



#### Export rise boosts TV trade surplus

Britain's trade surplus in colour television sets was boosted to a record £271m last year as UK-based

manufacturers responded to depressed domestic local demand by increasing exports. The increase in the UK trade surplus has been achieved even though there are no longer any British-owned

television manufacturers. The leading exporters are Japanese companies which began building factories in the UK in the mid-1970s. Ferguson, the last substantial UK-owned

manufacturer of TV sets, was bought by Thomson of France

in 1987. Exports of colour sets were worth £471m last year, compared with £301m in 1989, according to the British Radio and Electronic Equipment Manufacturers' Association. Imports fell from £243m in

1989 to £200m last year. The manufacturers' association said home domestic demand was depressed last year, with UK sales of television sets falling 9 per cent to 3.4m units. In contrast, provisional figures showed that sales of colour sets in the rest of the European Community rose by 13 per cent last year.

#### London tops fare charges

Bus and train fares are higher in London than in any other EC capital, according to a survey carried out by the predominantiy-Labour Association of London Authorities. An average commuter trip costs £1.40 in London compared with £1.18 in Copenhagen, the next most



HMS Upholder, the first non-nuclear submarine built for the Royal Navy in a decade, has arrived in London. The diesel-electric vessel, passing the new Thames river bridge at Dartford, east of the London. The diesel-electric vessel, passing the new Thames river bridge at Dartford, east of the capital, is the first example of the type which is expected to comprise a quarter of the navy's non-nuclear submarine fleet. The visit has allowed leading radio operator Barney Naylor, pictured on the submarine deck above, to return home to Canvey Island in the Thames estuary.

#### Car output down by 2%

UK car production fell by 2.0 per cent in March to 123,495, the first monthly drop in

output since July last year.
Despite the steep decline
in domestic demand for new
cars, production levels have
been sustained by the surge

in output for export markets and the build-up of production at the Nissan assembly plant. Production of cars for export last month at 60,274 was 86.9 per cent higher than a year ago, while output for the UK market fell 32.4 per cent to 63,221. Total UK car output in the first quarter at 346.127 was 6.0 per cent higher than

#### Halifax cuts mortgage rate

Halifax Building Society, Britain's largest mortgage lender, has cut its mortgage rate from 13.75 to 12.95 per cent, following the latest base rate cut last week. The new rate will apply to existing borrowers as from May 1.

The new rate puts Halifax in line with Nationwide Anglia, which cut its rate last Friday, but was beaten by the Woolwich building society which announced a cut to 12.9 per cent for existing

#### Bank discloses asset sales

Non-life insurance companies disposed of assets worth £53m last year, compared with an increase in assets in 1989 of £2.2bm, according to new figures published by the Bank of England.

The disposal was mainly effected through selling securities. It was caused largely by the need to meet claims arising from a variety

of worldwide disasters. Unit trusts increased their assets last year by £621m. against an increase in 1989 of £4.9bn. The small additional investment by the trusts was due mainly to weak conditions on the stock market.

#### Full hearing for Maguire appeal The Court of Appeal is to

conduct a full appeal hearing into the case of the Maguire family jailed in 1976 for running a bomb factory for the outlawed Irish Republican At a preliminary hearing

in London the Court announced it would not limit argument to the discredited scientific evidence against The full hearing is scheduled

for May 7 and is expected to

#### Gummer hits at farm policy

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John Gummer, the agriculture minister, condemned the EC's farming policies as "bankrupt" and said the government would be pressing for a swift reform of the common agricultural policy. He said the community needed to move towards more realistic prices at a pace the agricultural community could accept and reiterated his disagreement with the McSharry proposals to reform the CAP.

#### New use for drug money

Seized drugs money will be paid to police and customs to boost the battle against international traffickers, Mr Kenneth Baker, Home Secretary, announced. Drug barons' assets selzed under international confiscation agreements will finance a new multi-million pound fund also available for anti-drugs education or treatment of addicts, said Mr Baker.

Healthy property The Department of Health has launched a new agency to improve the management of

its £18bn property holdings.

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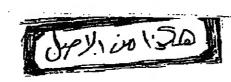
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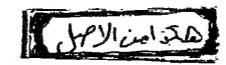
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FINANCIALTIMES

# Bank rescue payment is a capital expense

LAWSON (HM INSPECTOR OF TAXES) V JOHNSON MATTHEY PLC Court of Appeal

(Lord Justice Fox, Lord Justice McCowan and Lord Justice March 27 1991

A LUMP sum injected into an insolvent subsidiary by its parent company prior to and as a term of the sale of the subsidiary to the Bank of England in a rescue operation to which the only alternative would be disaster for the parent, is a capital payment, though made for the sole purpose of preserving the parent's trade, and is therefore not tax deductible. deductible as a trading expense from the parent's

The Court of Appeal so held when dismissing an appeal by the defendant parent company, Johnson Matthey plc, from Mr Justice Vinelott's decision that a 150m payment made to a sub-sidiary just before the subsid-iary's shares were sold to the Bank of England, was not an allowable expense in comput-ing the profits of the parent

LORD JUSTICE FOX said that LORD JUSTICE FOX said that the parent company carried on business in refining and selling precious metals, particularly platinum. One of its wholly-owned UK subsidiaries, John-son Matthey Bankers plc, car-ried on a banking business, including the merchanting of builton. In August 1984 the subsidiary got into difficulties on its commercial loan business. Large advances had been made on what turned out to be inad-

equate security.

A board meeting of the parent company was held at the Bank of England on the night of September 30/October 1 1984. to deal with the resulting crisis. At about 12.30am on October I the board concluded that the subsidiary was insolvent and could not open its doors for business without further financing, which the parent could not afford to supply. Cessation of the subsidiary's business and resulting damage

to confidence in the parent was likely to lead to repayment demands by lending institutions which the parent would be unable to meet. The parent

be unable to meet. The parent would therefore have to cesse trading. There was no alternative but to wind up the subsidiary and appoint a liquidator.

A receiver should be appointed to protect the interests of the parent's shareholders and employees, and to facilitate the orderly disposal of assets. The Bank was told of the decisions at once. It made a non-negotiable offer to the board that the Bank would acquire the issued share capital of the subsidiary for it, on condition that, prior to the tal of the subsidiary for £1, on condition that, prior to the sale, the parent injected £50m into the subsidiary.

The board accepted the proposals. They were implemented by the opening of business later that day.

£50m as an expense of its plati-num trade.

deduction on the grounds (1) that it was a capital expense; (2) that it was not paid out exclusively for the purposes of the trade. The Commissioners found that the sole purpose for which the parent made the £50m payment was to enable it to open the doors of its plati-num trade on the Monday

They found on the evidence that the payment was made to preserve the parent's trade from collapse and that, as a payment to preserve an exist-ing business, it was of a reve-me nature. They found that its associa-

tion with the disposal of shares did not convert it into payment of a capital nature.
Thus they decided both

Thus they decided both points in favour of the tax-payer. The Revenue appealed to the High Court.

On the appeal it did not dispute that the monies were laid out wholly and exclusively for the trade. It did, however, contest the decision that the payment was a revenue expense.

Mr Justice Vinelott accepted the Revenue's contention. He the Revenue's contention. He

said the board's purpose in agreeing to make the payment was no doubt to preserve the parent's business, but the means by which that was achieved was to transfer the subsidiary's shares to the Bank as part of a single arrangement to pay \$50m to the subsidiary and to release the subsidiary

repay it.

He said "these two elements cannot be severed," He concluded that the £50m was a capital payment. The parent

now appealed. There were numerous decided cases on whether a payment was to be treated as capital or revenue. They varied widely in their facts. The facts in the present case were unusual and derived from very special circumstances. Authorities were accordingly of very limited value.

In Strick v Regent Oil [1966] AC 295,315 Lord Reid said "the determination of what is capi-tal and what is income must depend rather on common sense than on the strict applisense that on the start appro-cation of any single legal prin-ciple". That was accepted, it seemed to be an approach of some importance in the pres-

Mr Park for the parent company submitted:
(1) the Commissioners found that the £50m was laid out to preserve the parent's platinum trade from collapse; (2) there was no ground for saying it was laid out to secure

saying it was laid out to secure the disposal of a capital asset, because (i) the shares were not an onerous asset (see Malleit v Staveley 13 TC 772) but were a worthless asset; and (ii) the parent did not need to pay 250m to get rid of the shares—it could have disposed of them to a shelf company or could have liquidated the subsidiary; (3) prior to receiving the (3) prior to receiving the Bank's offer the parent had in

paid to dispose of the shares or that it achieved a disposition of the shares; (5) it was not a case of negative consideration or reverse premium being paid for the shares. The essence of the transaction was that the par-ent paid £50m to preserve its

own trade. The parent lost its shares which were worthless and would be lost anyway, but and wonde to test anyway, our saved its platinum trade.
On the night of September 30 the subsidiary was a wreck. It would not be able to continue trading on the Monday morning. The state of affairs produced a perilege attention for

duced a perilous situation for the parent because the result-ing loss of confidence in the parent was likely to produce repayment demands which it could not meet. The sale of the shares was for a nominal consideration of £1 only. But the Bank was not prepared to take them unless prior to the sale the parent

injected £50m. Mr Park said this was a rescue operation by the Bank. That was right. But the real question was, what was the nature of the rescue opera-tion? Mr Park said in effect that the £50m was not for and did not have the effect of securing the sale of the shares.
That was not accepted.

There was a single agreement.

The Bank was ready to acquire the shares only on

1985 the perent deducted the from any obligation to fact decided to put the subsidiary into liquidation; the said "these two elements cannot be severed," He conduction on the grounds (1) the said "these two elements cannot be severed," He concluded that the £50m was a cluded to put the subsidiary terms that prior to the sale the parent paid the subsidiary to say either that the £50m was a cluded to put the subsidiary terms that prior to the sale the parent paid the subsidiary to say either that the £50m was a cluded that the £50 in which the parent could rid itself of the subsidiary without disaster. It could have got rid of the shares by transferring them to a shelf company or by putting the subsidiary into liq-

uidation but that would not have solved its problem. The solution offered by the Bank was the only way out. The subsidiary had to be rescued, not liquidated or ignored. It was true that the parent's purpose was to preserve its own trade. But that was not determinitive of the capital/in-

come issue. The position was in reality the same as if the Bank had said: "We will take over the subsidiary if you pay us £50m." Whichever way it was done, it was a payment by the parent to enable it to get rid of a capital asset. The asset was not onerous, but its continuous parent. The common sense of the matter was the £50m was

capital expenditure.
The appeal was dismissed.
Their Lordships gave concurring judgments.

For Johnson Matthey: Andrew Park QC and Thomas Ivory (Taylor Joynston Garrett), For the Crown: Jonathan Parker QC (Inland Revenue solici-

Rachel Davies

#### **AUSTRIA**

The FT proposes to publish this survey on June 24th 1991. It will be of particular interest to the 58% of Chief Executives of Europe's largest companies who are regular FT readers. If you want to reach this important audience, call Gerd Roezler, Rainergasse 24-12, A-1040 Vienna, Tel 505 3184 Fax 505 3176 or Edward Hugo Financial Times (Germany Advertising) Ltd, Tel: 069 75980 Fax: 069 722677 or Elizabeth Vaughan in London on Tel: 071 873 3472 or fax 071 873 3079.

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his statement by Lord

Alexander, the new chairman of National revealing about attitudes in the UK's second largest clear-The first few words contain a hint of the conservatism -

some would say complacency
that people traditionally
associate with bankers: a suggestion that banks should somehow be judged by special standards. But the second phrase conveys the new sense of realism that has been forced on NatWest after three traumatic years. Until the latter part of the

1980s, NatWest was widely described as the UK's top clearing bank; it was the largest in asset terms, and its record of profit growth and expansion, domestically and overseas, was impressively consistent. Its top executives — all of them clearing bankers to the core - dissense of purpose that were envied by its rivals.

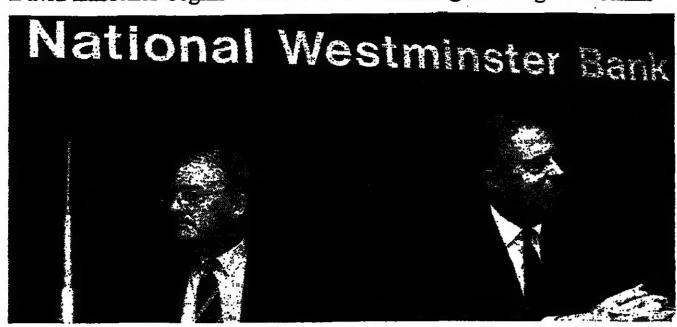
All this culminated in the golden year of 1988 when the bank made record profits of £1.4bn before tax. But then things started going badly wrong. The following year profits plunged to £404m, and last year showed only a modest increase to £504m. For the current year, analysts are predicting little change.
For many observers, this

downfall was caused by an uncharacteristic adventurousmessage that banks should stick to what they know and do best. "Self-inflicted wounds," was how Julian Robins, banking analyst at BZW, described NatWest's pain. Two serious mistakes were compounded by bad luck.

One was NatWest's attempt to enter investment banking by creating County NatWest at the time of the Big Bang dere-gulation of the City in 1986. County not only lost large sums of money in each of the succeeding years, helped by the 1987 merket grack but it the 1987 market crash, but it plunged NatWest into the Blue Arrow scandal which cost it its chairman and three senior executives. Several ex-County officials are now standing trial accused of rigging the market to conceal the failure of the 2857m Blue Arrow rights issue

which they were managing. NatWest's difficulties in investment banking were not unique: other clearing banks also lost large sums of money. But County's losses have been the largest, and its failure to achieve its ambitions has been

"We may be a bank. But we are David Lascelles begins a series on the challenges facing UK banks



Tom Frost (left) and Lord Alexander: learning the leason that banks should do what they know best

# A cautious repair strategy for the mistakes of the past

the most conspicuous. County was supposed to propel Nat-West into the ranks of "global banks". Instead, it has ended up performing a limited range of services, and is only a secondary player in places like New York and Tokyo.

The second mistake was Nat-West's determination to the most conspicuous, County

West's determination to expand in the US despite recent history which suggested it was a high risk strategy. The plan was directed by Tom Frost, the chief executive, who had previously headed Nat-

West in the US.
But last year NatWest Bancorp, which has 263 branches across New York and New Jersey, was hit by the property collapse and lost £167m - a larger sum in nominal terms than Crocker National Bank lost Midland Bank in the 1980s. Apart from costing NatWest much in the way of money and

prestige, both these setbacks had a demoralising impact on the rest of the clearing bank whose 3,000 branches in Britain's high streets were gen-erating the bulk of the group's profits. The losses have also exposed other weaknesses at NatWest, like its expensive cost structure and its relatively poor earnings performance



compared with the stronger clearers, Lloyds and Barclays.
The test of NatWest's mettle
will be its ability to deal with these difficulties. When announcing last year's poor profits, Frost said: "NatWest's 1990 results require firm

action, and we are taking it."
Of the two biggest problems, it looks as if NatWest will try to soldier on with its US opera-tion, but will have to decide County, Lord Alexander has given County two years to show it can make a profit, with the threat that if it does not "then we must out" of the equities business.

The ultimatum set off tremors which appear to have cul-minated in last night's sudden announcement by Howard Macdonald, County's chief executive, that he was resignNatWest Pre-tax profits (£m)

MANAGEMENT

1986 87 88 89 90 that there are still serious strains between NatWest and its investment banking arm, and it creates a further disrup-tion to the much-needed heal-

500 2

As for the US, NatWest knows that the bank there can make money - it was consistently profitable earlier in the 1980s - and the culture of that business is close to that of the clearing bank. But the road to recovery could be long and painful because the volume of bed debts in the region is still high. This week NatWest Bancorp announced a first quarter loss of \$191m, and required a

further \$150m capital infusion. The US and the County prob-lems had two points in common. They both marked major departures from NatWest's mainstream UK banking business, and both were conducted without the sureness of touch which marked NatWest's advance in the early 1980s.

After these expensive mis-takes, NatWest's fortunes will depend on its success in the domestic UK market which, in a good year, should be able to generate over £1hm in profits. But it is an increasingly com-petitive arena in which Frost and his colleagues are trying to galvanise the bank's massive labour force, while at the same time cutting costs.

NatWest will be shedding
4,000 people this year, with a
total of 15,000 jobs being elimi-

nated over the next two years, about 13 per cent of its staff. Frost has set up a centrally based team to oversee the cost-reduction programme. It reports directly to him and he says it should save the Nat-West group \$400m a year by 1983. Part of the cost savings will come from the introduc-tion of labour-saving technology; a data centre in Stafford-shire handles nearly half the

group's cheque-processing with

group's cheque-processing with fewer than 25 people.

Frost has also rejigged the senior management. One of the key players is Derek Wanless who heads UK banking at the age of only 43. Wanless is a believer in new techniques; he greaks of the pole of techniques. speaks of the role of technology and machines in delivering products to customers, and of the potential for cross-selling more services to NatWest's enormous but under-exploited customer base in the personal and local business markets. Although this is a familiar banker's theme. Waniess says: "Banks have barely made a start on the possibilities". One dilemma NatWest faces

is whether to persist with its strategy of being a broker strategy of being a broker rather than a creator of non-banking products like insurance and investments. (Under UK law, a bank must "polarise" one way or the other.)
NatWest was the only major clearer which chose to polarise as a broker. The strategy has seemed a success. The broking business nearly doubled its

business nearly doubled its profits last year. But Lloyds Bank, which took the opposite extreme and allied itself with Abbey Life, the financial services group, is setting a hot pace which has caused some uncertainty at NatWest and caused in last to attaction the caused analysts to question the wisdom of its policy.

Although NatWest's difficulties were compounded by events like the market crash in 1987, and the severity of the recession in the UK and the US north east, analysts say that they have also found the bank wanting in strategic foresight.

The County diversification was clearly undertaken to fol-low the fashion for investment banking - but without a full understanding of the markets into which it would lead the group. The US strategy never took into account the possibil-ity that recession could have such a regionalised impact. All this has made NatWest a more cautious bank. For example, it is taking a very low key approach to Europe and 1992. Since the plan for a single mar-ket started, it has only bought out a minority of a small Dutch merchant bank, and a handful of branches in France. But if NatWest has a chas-

tened air, it has not lost all the cultural cohesion which served it well before the crisis. There is an obvious determination among management to restore its self-respect. After a year in the chair, Lord Alexander, a former barrister, has begun to speak out more boldly on bank-ing issues. And he warns people against "selling the strengths of this group short".

# The hapless and the paradox

Richard Waters on the unhappy lot of non-executive directors

anted: a large army of experienced, independent-minded, part-time businesspeople to infiltrate boardrooms across the UK. Ability to restrain unbridled chief executives an advantage.

This, or something close to it, was the message yesterday from the UK's institutional investors, which between them own two thirds of all UK listed shares. Acting through their

shares. Acting through their recently-reconstituted umbrella body, the Institutional Shareholders' Committee, the institutions were adding their voices – the most important yet – to the debate on corporate governance.

This has developed as a curious side issue to the debate on relations between companies and their shareholders. Its origins can be traced to two causes: the seemingly endless arguments about short-termism (whether or not the promism (whether or not the providers of capital are unwilling to take a sufficiently long-term view of their investments); and a lingering feeling that some of the excesses of recent years should not be repeated.

What makes the debate on corporate governance odd is that the institutions appear to want it both ways. They want to regularise the way some companies are run, particu-larly by reining in some of the more powerful chairmen/chief executives. But in the process they do not want to lose any of the shareholder gains that can be generated by strong, entre-preneurial leadership.

There is a noticeable sound

of barn-door slamming in all of this. Periods of corporate or financial excess are generally followed by reregulation.
Come the next boom period,
these lessons are quickly forgotten. If the institutions can't have it both ways, then it is a fair bet that, come the next bull market, they will forget many of the lessons they are now preaching in the scramble not to be left out.

In the meantime, it is to non-executive directors that the institutions have turned. These hapless people are expected to labour under the institutions' own unresolved paradox; they must at once bear equal responsibility with

other directors for a company's performance, but they must also act as an internal check on the power of execu-

tive directors. The ISC's paper. The role and duties of directors: a statement of best practice, contains ample evidence of this paradox. Non-executives, it says, should be independent. This is defined as "free from blas, involvement or partiality".

Yet the paper also comes down firmly on the side of unitary boards, rather than the two-tier structures seen in countries like Germany. It countries like Germany. It says: "All directors have an equal responsibility in beloing to provide their company with effective guidance and leadership and it is recognised that they must, and in almost all cases do, act at all times entirely in the best interests of the company."

the company."

Is it really possible for a non-executive to bear all the responsibility that this suggests and yet remain "free from bias, involvement or particular".

tiality"?
Leading members of the ISC admitted yesterday that this was expecting a lot. "An increasing amount is being expected of non-executive directors," said Michael Sandland, chairman of the ISC and chief investment manager and chief investment manager of Norwich Union.

of Norwich Union.

He said that the pool of available talent was probably not big enough to provide suitable high quality directors for all UK companies, and suggested two ways of easing this shortage: companies should make more of their senior executives available to act as non-executives elseact as non-executives elsewhere, and companies should pay non-executives more for their efforts. "The traditional £5,000, £10.000 or £15,000 is not enough, given what is expected these days," Sandland said.

Who, though, will decide how much to pay the non-exec-utives? This is yet another par-adox at the heart of the ISC position. Non-executives, who are expected by the ISC to set the pay levels of examilied directors, will themselve be paid by the executives. Any guesses on the effect that has on the level of executive pay?

WALLONIA

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FT SURVEYS

#### REPUBLIQUE DU ZAIRE MINISTERE DES MINES ET ENERGIE SOCIETE NATIONALE D' ELECTRICITE AVIS D'APPEL D'OFFRES INTERNATIONAL

LE GOUVERNEMENT DE LA REPUBLIQUE DU ZAIRE EN QUALITE DE MAITRE D'OUVRAGE ET LA SOCIÉTÉ NATIONAL D'ELECTRICITE (SNEL) EN QUALITE DE MAITRE D'OEUVRE LANCENT LE PRESENT APPEL D'OFFRES À LA CONCURRENCE INTERNATIONALE POUR LES POUNITURES DE MATERIEL, ET EQUIPEMENTS AINSI QUE LES PRESTATIONS ET TRAVAUX DE LA LIGNE 220 KV KOLWEZI-KANANGA.

ACQUISITION DES BIENS ET SERVICES DE CE PROJET SERA EFFECTUEE CONFORMEMENT AUX DIRECTIVES CONCERNANT LA PASSATION DES MARCHES FINANCES PAR LES PRETS DU GROUPE DE LA BANQUE AFRICAINE DE DEVELOPPEMENT.

LES MARCHES SONT SUBDIVISES COMME SUIT :

MARCHE 1 LIGNES DE TRANSPORT

- LOT 1 : LIGNE 220 KV NSEKE-KAMINA (180 Km) FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL CONSTRUCTION DE 180 KM DE LIGNE AERIENNE 220 KV
- LOT 2 : LIGNE 220 KV KAMINA-MWENE DITLI FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL CONSTRUCTION DE 283 KM DE LIGNE AERIENNE 220 KV
- LOT S : LIGNE 220 KV MWENE DITU MBUJI MAYI FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL CONSTRUCTION DE 113 KM DE LIGNE AERIENNE 220 KV
- LOT 4: LIGNE 220 KV MBUJHMAYI KANANGA FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL CONSTRUCTION DE 157 KM DE LIGNE AERIENNE 220 KV

#### MARCHE 2 - ALIMENTATION MT ET RESEAUX DE DISTRIBUTION

LOT 28 : LIGNE 30 KV KAMINA VILLE - KAMINA BASE

FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL CONSTRUCTION DE 24 KM DE LIGNE 30 KV CONSTRUCTION D'UNE SOUS-STATION 30/11 KV DE KAMINA BASE.

LOT 4: LIGNE 30 KV KANANGA CENTRALE-KANANGA EST
- FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL.
- CONSTRUCTION DE 9 KM DE LIGNE 30 KV CONSTRUCTION D'UNE SOUS-STATION 30/6, 6 KV.

LOT 5A: LIGNE 120 KV A KOLWEZI FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

CONSTRUCTION DE 2,5 KM DE LIGNE 120 KV. LOT 5B: POSTE 120/15 KV A KOLWEZI - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

- CONSTRUCTION D'UN POSTE 120/15 KV

LOT 5C: RESEAU MT - REMISE EN ETAT ET EXTENSION RESEAU 15 KV - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

MARCHE 4 - TELECOMMUNICATIONS ET DISPATCHING

LOT 1A: EQUIPEMENTS A COURANT PORTEUR
- FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

LOT 18: EQUIPEMENT DE TELEPROTECTION - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

LOT 1C: EQUIPEMENT DE TELEPHONIE "POINT A POINT" - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

LOT 2: TELEPHONIE RESEAU

FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL LOT 3: EQUIPMENTS DE TELESURVEILLANCE ET DE TELECONDUITE - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

LOT 4: EQUIPEMENT RADIO - FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEL

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 LA FOURNITURE, TRANSPORT ET MONTAGE DU MATERIEI. LA CONSTRUCTION DE 140 KM DE LIGNE AÉRIENNE DOUBLE TERME 220 KV SUR LES TRONCONS INGA-MBANZA NGUNGU.

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 To receive the Directors' Report and Financial Statements for the year ended 31 December 1990 2. To consider the election of

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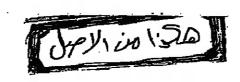
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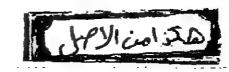
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#### THE PROPERTY MARKET

# Stanhope has designs on business in the west |Rise in yields

By Vanessa Houlder

tanhope is widely consid-at the start of the year, it is now converting an old bus most talented property development groups in Europe. Nevertheless, like most overstretched players in the over-built London market, it is factheir development for the next those for Lloyd's of London

Likewise, the 134-acre King's Cross site, potentially the most promising in London, is unlikely to be started for several years, although Stanhope and its partners are continuing to negotiate planning permis-

But Stanhope's wings have not been clipped entirely. After winning planning permission

Bource: Investment Property Detabant

ACTURE COO, TIVE THOSE GACT.	Surgred Office bary ser m co
tched players in the over-	acres of parkland
lt London market, it 📓 fac-	This suburban (or as the
a period of consolidation.	developer prefers, "mid-ur-
ast week it sharply wrote	ban") park will feature the
n the value of some sites —	work of six leading UK archi-
bedraggled South Bank	tects - Eric Parry Associates,
itre, section of London	Richard Rogers Partnership,
ll in the City, a part of	Peter Foggo Associates, ABK.
inswick Wharf to the	Terry Farrell and Co. and Fos-
th-east of the Isle of Dogs	ter Associates. Among the
some office blocks in Eus-	buildings architects in this
Square - after postponing	group have to their credit are
- James on the and	there for floudly of foundam

TV-am headquarters.

Asking a clutch of high-flying architects to produce harmonising designs within a tight budget for an office campus is unusual — and laudably ambitions. But the architects, headed by the master-planner Terry Farrell and Hanna/Olin, US landscape architect,

and the Hong Kong & Shang-hai Bank and the exuberant

• •					
CAPITAL GROWTH (%)					
_	Retail	Office	Industriai	All Properties	
Year ■ Feb 91	-11.6	-15.8	-11.2	-13.3	
Quarter to	-2.6	-5.0	-2.9	-3.7	
Month of Feb	-0.7	-1.4	-0.9	-1.1	
Equivalent yield at end of Feb 91	100	6.0	11.2	(KX)	

appear to have come up with the goods.
"The master plan and the maintenance depot at Chiawick into an architecturally distin-guished office park set in 33 details of the landscap-

ing ... suggests a scheme unusual interest and quality that will set the standard for developments this sort," said the Department of the

Stanhope, which is building the business campus with Trafalgar House, says the scheme is innovative in other ways. It is a cross between a conventional business park, in landscaping, car parking and amenities, and an urban office complex in its location and

The developers (perhaps optimistically) reckon it takes just 31 minutes to get to Can-non Street and 20 minutes to reach Heathrow. The park is a few minutes' walk from three Underground stations and two British Rail stations, which will eventually be connected by an interchange.
According to Stanhope, 3m

according to Standope, and people are within a 15-minute journey of the projected site.
"The whole idea is: Why drag people into the town centre? Why not provide jobs where they want to live?" I Mr Fergus Low, the development director.

In addition, the park will have a sports club, a brasserie and childcare facilities. Stan-

hope says the scheme, which will be ready in 1992, has sparked an encouraging amount of interest from the media and from pharmaceuti-

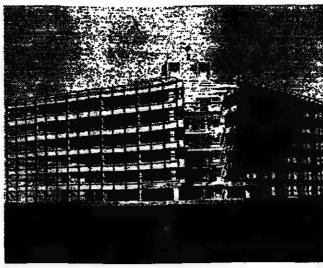
If so, there seems to be a good chance that it will a financial success. Kleinwort Benson Securities estimates that the project's break-even are sq ft, while it aims to charge rents of between £30 and £35 per sq ft. Stanhope, which already has a £100m facility, says it is confident that it can raise another £150m-£200m for the project. Elsewhere Stanhope's may be under strain.

There about the profitability of its Ludgate scheme in Holborn (in spite of

the record-breaking size of the letting agreed by Coopers & Lybrand Deloitte) and there is concern about the value of Broadgate, the office development in the City.

Broadgate held its value well in the initial phase of the property slump, but likely to a drop in value in Stanhope Developments (the joint the property slump). ture responsible for Ludgate and Broadgate) is highly geared, the could wipe out in

significant part of the pany's asset value. At the same time, there has been a realisation that the reduction of



RSD's large income deficit may be a long haul because of high (although shrinking) interest

costs and the worsening pros-pects for rental growth.

The conclusion - that RSD needs to sell part of Broadgate - is hardly new. The decision to sell was taken last summer, although it was delayed by disagreements between Rosehaugh and Stanhope. But the asking price was ambitious (not because Unextravagant sums that had

Foster Associates office design for the Chiswick Park project been paid for other prestigious buildings such as Lansdowne House) and the crisis in the Gulf deterred potential buyers.

agreed with Prudential Insurance Company of Insica's Global Fund fell through when the Gulf war broke out.

As start to return to UK market, sale should not be too far away. The price is likely to be very different from that hoped for

# has gone too far

THE property market "offers an opportunity not seen since the late 1950s". says James Capel, the broker, in recent investment report, writes Vanessa Houlder.

The crux of its argument is that the record-breaking rise in yields has gone too far. "Yields on anything but the very limited number of prime properties are so high that, for a small injection of equity, the investor has positive cash flow," it says.

Property is now cheaply

priced not only compared with own historic pattern, but against other asset adds. Relative property, bond and equity yields, the relative growth of rents and dividends, and the relative volatility of property since the late 1970s are cited as evidence.

Admittedly, rents are now falling, which means that the higher than those obtainable on the market.

The recession crack and a series of tenant defaults. But the Capel report
yields over-compensated this risk. "A buyer at portfolio a retail property yielding 10 could an fer nearly in per cent in in and in unable relet breaching in mean yield in its law in these arguments carry

weight and indeed, there is a rough consensus in the industry that yields have gone out far enough. The problem for would-be buyers lack of good-quality, high-yielding property the market, as sellers have held back in the hope

crs have held back in the hope that yields would improve.

Nonetheless, it is questionable if property values will ever revert to their pation. At a seminar organised by County NatWest this week, speakers argued that the industry with the industry - with the the industrial sector -

undergoing a change. Mr Russell Schiller Hillier Parker, chartered surveyors, the retail sector was the retail sector was experiencing fundamental changes. of the growth of out-of-town retail parks. Shoppers were rebelling against the tedlum high street - pointing poor rental prospects in the town centres, which account for

Mr Gest Marne of APR, which specialises in office research, said the oversupply that planning deregulation in the 1980s meant il 1990s could be a decade of The numbers heavily the said of the pier," he said. "It is not just cycle. It is a new

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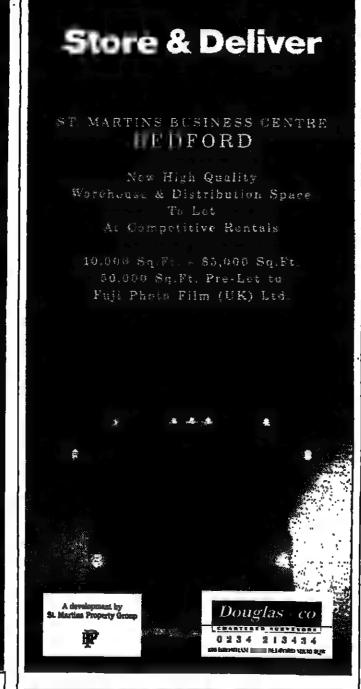


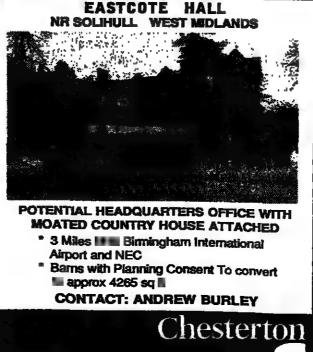
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red price:
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DM 100,000 Dorfstraße 76, Niewitz Kreis Litibben, building site in the village centre for multiple texts, e.g. Bring accommodations, restaurant leiture, business, etc. The 3,900 m³ site is currently occupied by an apartment/business building formerly an iran.

Reserved price:

DM 550,00 DM 550,000

Straße am Rechementurum, Fürstensralde Spree. Business premises with 3,150 m² Roor space, currently used as a continuing education centre for data processing. 5,771 m² plot with considerable developmental reserves for, e.g., living accomodations, restaurant, businesses. Reserved price:

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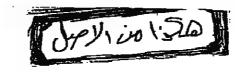
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#### **TECHNOLOGY**

urfers search for the perfect wave, fishermen live for the big one that doesn't get away, and semiconductor makers dream of a non-volatile, sectoreraseable chip with limitless write cycles.

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Commence of the second 6. 1955年中国6.5 20**4**整

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the consiste the The total of the community 😥 A chip, in other words, which could replace both hard

and floppy discs.

The chip will have to perform the same functions as discs do. It will have to be non-volatile, or capable of retaining information when the power is switched off. It will have to be capable of performing large numbers of write cycles, or store new information frequently without aring out. It will also have to be sectoreraseable, so that some of the information on it can be deleted while the rest is retained. Above all, it will have to be cheap.
A chip called \*\* "flash

E-Prom" meets some of these requirements and its champi-ons believe it will eventually ons beneve it will eventually satisfy all of them. Supporters of the chip say that because it is small, physically durable and uses little power it is ideal for portable computers. Peter Norman, UK managing director of Psion, the British-based computer makes believe that

tor of Psion, the British-based computer maker, believes that flash E-Prom ogy of the 1990s".

E-programmable read-only memory. E-Prom chips retain memory when the power switched off, unlike dynamic random access memories (D-Rams) and static random access memories (E-Rama). access memories (S-Rama).

The problem with standard

E-Proms is that they are diffi-cult to erase and re-program.

To delete the information on
them chief have to be them, the chips have to be exposed to ultra-violet light for

30 minutes or more. There are

pustion engine, developed in Britain, will be introduced later this month to the

US motor industry in Detroit. Its backers claim that the

# Chip with a flash of inspiration

Michael Skapinker examines the semiconductor that could replace both hard and floppy discs

E-Proms which can be erased electrically. These are called electrically eraseable programmable read only memories, or EE-Proms, but their drawback is that the avenue process is that the erasure process takes about two minutes.

Flash E-Proms, by contrast, can be erased by a flash of electricity that takes less than a second. Because the chips do not have any moving parts they are also less likely to fail than disc. Norman, with company uses flash chips in its portable and hand-held puters, my that numputer discs are an anomaly which will eventually disappear.
"There's ng ng about these wonderful digital computers with all rather horrid mechanical device for

data storage," says.

Byron Harding of Dataquest, a high technology consultancy, says makers in flash E-Proms will have to overcome several problems before the chips can be considered a replacement for discs.

the four-stroke engine. He

argued that fewer parts must mean that less can go wrong. He used a mechanism called

the scotch yoke to link the pis-ton in the engine to the crank-

The first, he says, is that there is a limit to the number of times the information on flash E-Proms can be erased and replaced with new data. When flash chips are re-programmed electrons remain trapped within the memory cell. Eventually, this of electrons of electrons makes it impossible to reprogram the chip. Harding the process to filling and then emptying it. A residue coment will remain time in the bucket will be full of hardened coment.

Russell Clayton, a flash cialist with Intel of the US, the leading manufacturer of the chip, says that the reproblem been exaggerated littel tees that its flash chips can be es. I typical Intel flash chip can be re-programmed 100,000 times, he says. If the chip was re-programmed 10 times a day

Little engine goes to Detroit

the engine project. Subsequent

development in Britain has shown that the scotch yoke

can reduce engine and

weight by as much as 150lb for eight-cylinder engine,

Mountain says.
In 1980 Collins formed Collins Motor Corporation (CMC) to develop the new engine. The cautral feature of this engine is the strength of the yoke tiself.

and its lubricating systems. It

comprises a scotch yoke

arrangement with hydrody-namic slider bearings. The slider block is mounted on a

conventional crankpin bearing and therefore orbits in a circu-

**EUROPEAN FLASH MEMORY** Revenue I million) 1989 90 **■** 92 93 94 95 1990-95 1.5 3.8 44 89.2 44 89.2 - 0.5 0.9 4.8 17.9 38.4 67.0 168.3% revenue 1.5 4.3 15.5 38.0 91.9 182.6 261.2 -

it would last for nearly 30

Another drawback to flash E-Proms is that it is not possible to erase only part of the chip. All the data on the chip have to be deleted. On discs, it is possible to delete some information while retaining the next Continue says them are not rest. Clayton says there are no rest. Clayton says there are no why flash choos cannot be made partially EE-Proms already partially eraseable.
The problem, he says, is one of
A 1Mbit RE-Prom costs five or six times as much as the equivalent flash E-Prom.

lar path. The flat sliding surfaces of the sliding surfaces of the sliding surfaces of the yoke assembly, which is attached to the pistons and moves along the cylinder axis.

Harry Close an engineer on

moves along the cylinder axis.

Harry Close, an engineer on the board of TNT Shipping and Development, the chief source of CMC's development funds, has become closely involved in my problem of transferring the sugine technology to the motor industry's factories. "We're salling a technology — and

selling a technology - and

people don't really want to buy a technology," Close contends.

Its main rivals are high-speed versions of today's

Although III chips the less than EE-Proms, many in the industry believe that they are still not replace discs. It is the cost of flash chips rather than any technical problems which could expure that discs venues in the could expure that the could expure the could expure that the could expure that the could expure the could could ensure that discs remain the preferred method of data

electronic devices.

A hard disc in ■ small portacomputer might have 20Mbytes of memory. A typical flash chip will have 1Mbit of

memory, or an eighth of a megabyte. Replacing the hard disc with an equal amount of memory would require 160 memory would 11 M. The equivalent hard disc would less than a tenth of that, Harding says.

believes that high cost will not stop flash from taking off. As the volume of manufacture the volume of manufacture increases, the price of the chips will fail. The price of discs migh! fail too, but the greater reliability, portability and lower power consumption of flash E-Proms will give them the edge. The growth of the portable and hand-held computer market will aid that process, he says.

design has caused difficulties. Close has graveyard of bro

ken components caused by fail-ures in lubrication for aliders

that stop and reverse at the end of each stroke, in a pull-which needs a larger bearing

area than for the equivalent conventional engine.

CMC has built a family of

technology vendor, further

exploring its compact engine not only for the car industry

but also for aircraft, industria

gens by the insertion of an engines, and turbo-charged cal triggers which result in engines. The design has intro-duced no new manufacturing problems, but the bearing cinogens to trigger cancer In the mice.

#### Heat in on but salt keeps cool

prototype with and even installed some in current car Ings in Cambridge.

The system replaces the boiler and cooling tower aware tank containing thousands of plastic balls (it is atomised droplets of bacteriamodels. But Close says CMC's ridden water escaping from the cooling tower that cause

#### A watchful eye **III** investments

BANKS, Insurance companies, investment trusts and pension funds are the arget market of the latest investment accounting and portfolio management system rom Extel Financial,

The software, which conains reference data on 100,000 international securties, is updated "In real time" as figures change they are automatically updated. The investment Administration Services, IAS 2, has been designed to run on the latest hardware, using rela-

tional database techniques In addition to Extel's existing bureau service, compa-nies can buy the software to run on their own machines, or will be able to employ Extel, of London, on a facilities management basis.

#### Mice get out of the rat race

TRANSGENIC mice, which are now being bred in the US, could help chemicals, cosmetics and pharmaceu cals to test genic traces more quickly, while using far fewer anima GenPharm international,

which is breeding the animals in Mountain View California, says the mice hold the poten-tial for experiments to be cut to six months using 100 to

200 transgenic mice, com-pared with the two years and the 1,000 mice used today. The mice, developed at the Netherlands Cancer institute, in Amsterdam, have been made sensitive to carcino-ment by the insertion of se extra gene, known as an oncogene. These oncogenes are one of a series of blologienimals developing tumours it therefore takes fewer car-

AN air-conditioning system which has no moving parts and could prevent the spread of Legionnaire's disease has been installed in office build-

#### WORTH WATCHING **Della Bradshaw**

Legionnaire's disease). Each of the balls is filled with saits which change from a solid form to a liquid at 27 deg C. Such eutectic salts are already used in the process industry where heat needs to be removed rapidly.

in hot weather the sells are frozen overnight using cheap-rate electricity. During the day these frozen sells are day these frozen salts are used to cool the water circulating through the tank. In winter the reverse occurs. Although the designers of the system, The Company of Designers, in Cambridge, say the system itself is more acceptable than the fillen.

expensive than traditional heating and systems it is less expensive to install in city systems buildings ruse it takes up much less of the expensive floor space.

#### Golden beaches computer

FOR travel agents, there can be few quicker ways of per-suading clients to indulge in that special holiday than by ng photographic image of blue skies and golden beaches on the computer screen in the office. But the problem for travel agents and businesses such as art dealers and estate agents is being able to get the photograph into the compute Canon, the Japanese cam-

ers and copier company, has come up with the idea of using its still video camera for creating and inputting full colour images into PCs. With the ion-PC kit the user

takes a series of photos which are stored on a floppy nected to the PC via an inter-tace cable, and each picture is displayed on the screen, enabling the selection of the best one. Using the ion-PC digitiser the image is cap-tured digitally and stored.

image ima over 400,000 pixels (picture elements). Canon working eral software companies, including Aidus, SPC and Lotus, Mallow users to incorporate captured images in their desittop publishing and other graphics software.

#### **Ceramics find** their bearings

TOUGH, lightweight

eramic material is now being made into bearings for a made into pearings for a range of industrial Developed by SNR Roule-ments, in Annecy, France, the bearings are made of sillcon nitride, which is chemically very stable. Other properties of the material are that it is extremely hard and the fore lasts much longer than i bearings. SNR has two bearings for

various applications; hybrid bearings — ceramic balls held in place by steel rings - to give the speed need in precision machine to a and ceramic bearings for use in nuclear physics and the petrochemical (ndustry when there are strong chemicals.

#### **Got nitrogen** in the can

THE RACE by browers to protraditional beers in the latest thin-watled drink cane could be speeded up by a development from BOC.

The Guildiord company has filed a patent for a way of dissolving nitrogen gas in the beer before it is canned.

lests on nitrogen show that

it does not after the character stics of the beer at all. After packaging the nitro-gen is released from the liquid and exerts pressure on the sluminium or walls, making them rigid. They can then be stacked on supermarket shelves or pallets without damage.

**BOC** believes the technique is easier to control and monitor than existing methods of canning beer, where liquid nitrogen is fed into the can just before closure. BOC's Stackmaster process could also be used for soft drinks, and for bottling in plastic (Pet – polyester terephthalate) containers as well.

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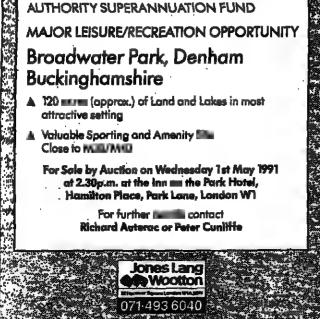
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#### engine can deliver power from as little as half the space required by conventional engines of this kind. For car designers the compact engine offers improveconnecting rod which moves about a pin, causing the piston to drive the crankshaft and so ments in aerodynamic effithe wheels. The scotch yoke allows one end of the rod to be ciency and a reduction in fuel consumption. Its power density is also attractive to light airfixed, so the highly stressed craft designers and in mobile pin is no longer necessary. "Collins wanted a way of putting a higher volume of engine capacity round a single crank pin," says Graham Mountain, technical director of industrial engines. In the mid-1970s Brian Colhas then an engineer at the Railway Institute in Perth, Australia, wanted to simplify ON THE INSTRUCTIONS OF NATIONAL RIVERS AUTHORITY SUPERANNUATION FUND Broadwater Park, Denham



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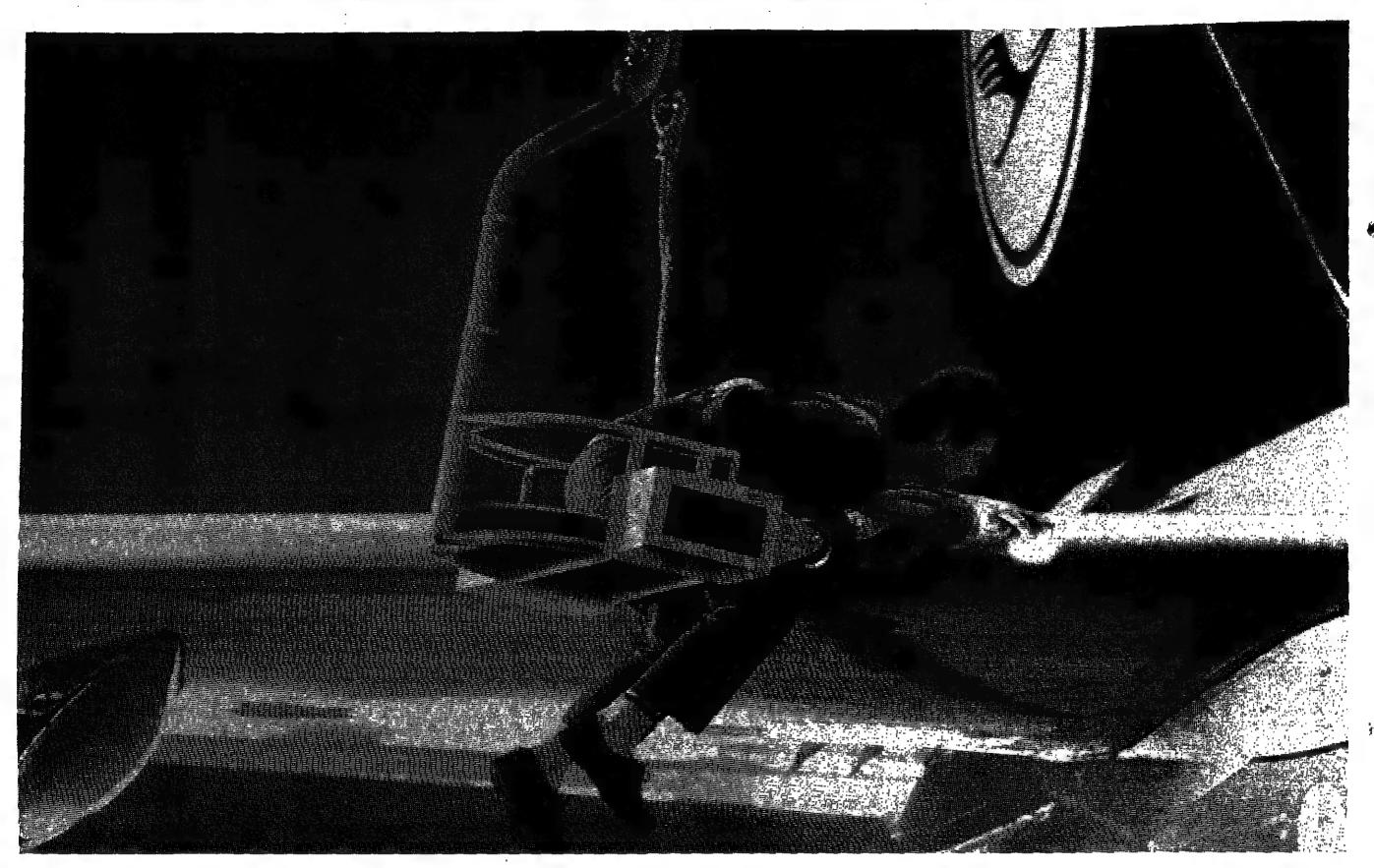
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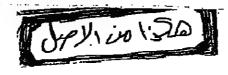
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After a decade of

property market's

youngest sector has

growth of the

hectic development.

been badly stunted. While there are

signs of a broadening interest in

becoming more discriminating.

business parks, tenants are

writes Vanessa Houlder

Aritagion Business Park, Reading: the working environment is important to tenants

DEVELOPERS usually wince at the prospect of crossimational boundaries. They are a home-loving bunch, skilled in the black arts of untangling red tape and anticipating the wants of local customers. Why try to compete under different rules in a new language for customers you don't under-

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> But boundaries are dissolving in Europe. They already have dissolved for many leadhave dissolved for many leading tenants, who expect a suitably international service from their landlords and agents. A nagging background noise has also thrown doubts on the safety of staying tucked up at home: the sound of business hitting the bottom of the berriel. When the UK market is as flat as a millocad, the chalrel. When the UK market is as flat as a millipend, the challenge of learning a new language seems much less severe. But business park developers will have to absorb more than a few phrase books to make a success in mainland Kurope. They must adjust to whole new vocabulary of building.

> invasions were marred by an irritating atti-tude of taking civilisation to the natives. Full air-condition-ing was mandatory for office blocks, for instance, no matter what locals felt. The fact that tenants turned their collective noses up at such extravagance taught a few expensive lessons. This time ground there should be fewer mistakes. The British still profess to offer a better product — but quickly empha-sise the importance of bending

asse the importance of benching it to local needs.

"We are entering a market part way through an evolution from industrial estate to high-quality office park," says Peter Mantie of Jones Lang Wootton a polite way of saying the continentals have yet to catch up with the UK. International groups such as IBM want the sort of space they get at home, but it would be a disaster to just superimpose US and UK forms without reference in

local traditions, he adds. Even the multinationals are changing their spots, however. John Worthington of architects DEGW, deeply involved in Spain and France for UK and European prospects

# New vocabulary of building

Rental k	ary 19	
	Prime	Business park
onden	60	25
Paris	40	12
Madrid	33	15
Milan	32	13
Frankfurt	30	9.50
Barcelona -	24	13
Munich	23	
Brussele	19	8.25

local developers, says: "Ten years ago they would have demanded the same building in demanded the same building in every country. Now they recognise that local people work in these places and their needs must be recognised." In Sweden and Germany, for instance, staff expect a high degree of control over their work environment. In other words they demand the power to open a window and let in fresh air rather than endure the contraints of central air-condi-

What goes under buildings seems to be as important as the people who work in them. The Italians and Spanish are passionately attached to their cars — but they do not want them cluttering up the place when not in use. That is why London & Edinburgh Trust is building underground space for close to 800 vehicles at its 400,000 sq ft business park next to Milan airport.

This sort I idiosyncrasy

to Milan airport.

This sort idiosyncrasy raises building densities, however, making it idexport the idea of low site cover and high-quality landscaping. And continental parks are already more dense than their UK counterparts. France, for instance, claims to lead the

market with futuristic "technopoles' such as the group of 11 science centres covering more than 2,000 acres around the southern town of Montpellier, but a more typical scheme is much further down the evolu-tionary scale.

tionary scale.
Low-rise, low specification
buildings normally cover 35
per cent of a site, leaving only
15 per cent for impressive landscaping after providing roads
and parking. This is the exact
opposite of a UK park, according to Mr. Worthington, with
its low site cover and mutil to be
rev buildings. rey buildings.
The Germans, on the other hand, build densely because

planners maximum plot ratios of 1:1 or 1.5:1, which gen-erate land values only justified by high-rise office centres. Ten-ants are therefore less interested in landscaping than the quality of a building, says Andrew Burt of JLW. They carry that the land around Surope, so a massive amount of work is going on to determine which companies are looking to move and what they are looking for.

A good environment might

A good environment might be unimportant to Germans, for instance, but is crucial to 90 per cent of Italians, according to a study by Applied Property Research. Like the British, Dutch and French, they also demand good housing and ahops, while the Germans differ again, says APR, placing more emphasis on location near markets. One surprising fact is that links with universities and quality of life come low down the list of priorities. This learning process is not just geared to UK developers. DEGW is designing for continental developers, while JLW is working up a 1.3m sq ft park in Barcelona for the Germany

Facing up to a harsher world

Research (APR).

This year it forecasts a 10 per cent drop in completions to 13.5m sq ft of completions, while next year it reckons that

some 9.6m sq ft will be com-

While supply has been build-ing up, the recession and the Gulf war have taken their toll

Just over 10m sq ft was

taken up last year, down 21 per cant on 1989. So far this year, 1.4m sq ft has been taken up, leading APR to seaments a total take-up of sm sq ft for the year. The demand figures, although week success that

although weak, suggest that business parks have

On Manager

THE youngest sector of the UK the careless days at the end of the 1980s, when business parks property market is going through a baptism of fire. planned at the of four week, even though it being nurtured by the relaxed planning controls, buoyant demand and easy money of the second half of the 1980s, busi-ness parks have now stumbled would take 30 years to fill them Over the past year, develop-ers have struggled to fill their buildings, while some who paid inflated prices for their land have gone bankrupt. into some of the harshest midditions for the property industry in living memory.

The still shows

have gone bankrupt.

Many of the planned developments will be built, although plenty of new projects are in the pipeline. Last year nearly twice as many out-of-centre schemes were completed as in the year before, according to Applied Property Research (APR). promise but its growth has been badly stunted. Gone are

company Grupo Dorn. But market leader such as Arlington believes it has the advantage of being able to integrate new lessons about tenant priorities with the successful UK formula of prime locations, good design, flexible tenure and on-going management control.

Frill Alexander, chief executive of new European subsidiary ASE, is already looking after schemes in France, Spain and Italy. He also has his eyes on eastern Europe and the Soviet Union. The company's reputation has gone before it, gaining a role to "internationalise" the 2m sq ft high-rise office park planned outside Milan by SNAM and Cogefartorno. Pre-ists would be important here — mainly to Balians.

- but so would seem to the but so would see to the bull of the chip multi-nationals targeting this important European growth centre. Arlington has a head start blooms most big names already buildings on the developer's UK. also be useful in estern Burope, with the company offering to provide the same sort of space they have at home - bent to local needs, of COULTES.

Stuart Lipton's Stanhope Properties will hope for the same transfer of loyalties from Stockley Park, the 1.5m sq ft. achene near Heatirrow which has set the pace for UK development and scooped a hatful of swards. He is set to open its first European office later this year, and has chosen Berlin with an obvious eye on the east.

"The crucial thing is to ensure that development is demand-led rather than property-led," says Mr Mantle. If UK companies can manage that through more sophisticated research and concentration on tenant needs, the potential for expansion into a growing market is incalculable. If not, they face a bleak future, locked into an increasingly marginalised island off the European coast while others reap the rewards. while others reap the rewards.

to appeal to a broadening audience. Last year, the most enthusiastic newcomers in business parks were the tele-communication industry, ernment services – which are relocating out Market London to reduce costs - insurance, elec-tronics and computers. This year, food and drink industries are tipped to be important

space takers. The result is that there are enough business parks to satisfy demand for 18 months and enough land with planning permission to last for decades, according to APR.

However, the picture is clouded by large variations in quality and location. Agents report that choice is relatively limited in some regions and, moreover, that well-designed, well-located office parks are attracting

For the best schemes, rents are rivalling, if not outstripping the city centres. That said, it is unquestionably a tenant's market and few places are entirely immune from the slump which dragged down overall office rents by about 7 per cent last year.

per cent last year.

As the property industry grapples with oversupply, the marketing advantages of business parks are being closely scrutinised by tenants offered cut-price rents to stay in town.

The quality of the working environment and good car parking provisions is often bait parking provisions is often bait cramped, congested city cen-

However, Debenham that I problems of business parks have been underestimated by nearly everyone involved. "Car parking and a better environment are not exceptible." ment are not everything," it

"Rural can mean poor public transport and back-up facilities, neighbours and only a shallow pool of staff nearby."

Some of these criticisms are inescapable, but the business park industry would argue that its best schemes are trying to

and the complaints.

The student of luctures producing a large discrepancy between the concept and qual-ity of different schemes. y of different schemes. The original goal of UK busi-

ness parks, which were modelled on Un schemes such as Silicon Valley in California, was to give industrial compawas to give industrial compa-nies a new standard of space and environment. In reality, turned out to be slightly more opealing than average industrial estates.

High-tech developments
introduced in early
1980s for computer based

1980s for computer-based industries that did not need or want to separate offices, pro-duction and warehouses. These second generation schemes were larger than their prede-cessors and more likely to be out-of-the-town centres and in

out-of-the-town centres and in belt.

most of the ing planning controls, there was increasing to clarify the planning rules. In 1985 White Paper, Lifting Burden, the government it would planning legislation and, as part of this process, review the Use Classes Order 1972 to cater for high-tech development.

The resulting introduction of

The resulting introduction of the new business activity use (B1) in 1987 had a decisive impact on the growth and nature of the business park market Between 1979 and 1981.

under 250,000 sq ft of space was completed on business parks, completed on business parks, while between 1982 and 1986 the market grew gradually so that just under 3m sq ft of space was completed in 1988. The new planning rules were so eagerly received that by the end of 1988 more than 10m sq ft of new B1 space was coming forward for completion in 1989. "At timesit appears that every farmer with land near a motorway junction was seeking to way junction was seeking to develop a B1 business park,"

The change in planning rules fundamentally changed the nature of business

The "third generation" campus schemes for corporate headquarters as developers dis-carded the original concept of allowing high-technology com-panies to perform all its func-

tions under one roof.

The "Bl effect" has produced a tendency for developers to think exclusively in of maximising land through office development to the of mixed use and

industrial buildings and this new phenomenon in transforming in mixed use business parks of the 1980s into the office parks | the 1990s," says APR. In 1988, offices were 32 per cent of the total market compared with 79 per cent in

of hand. Many schemes were iii thought out and badly located. Clearly, some to revert warehousing industrial schemes, though office prices were paid for the land.

What is more difficult to predict is where business parks go from here. The definition of a business park is increasingly blurred thanks to its changing role, the introduction of new terms such as Stockley's "mid-urban" park at Chiswick, and the tendency of developers to borrow the label for any clutch of new suburban buildings surrounded by a few trees.

The fourth generation schemes, meaning a business park that covers hundreds, if not thousands, of acres with leisure facilities and housing, are limited to one or two examples and some intensive lobby-ing of planning ministers.

There is not even any clear consensus on which types of schemes are the most success-

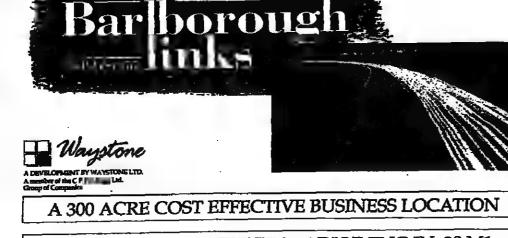
It has long been assumed by the industry that if a business park is to compete will the town centres. It large enough to restaurant a and shops.

in of the logic in argument, the back up industry's hunch. Good quality small schemes taken up just good quality large ones, according to APR, which has examined the relative take-up of schemes larger than 50 acres of schemes larger than 50 acres and the rest. "It is our view that size of schemes has only a marginal impact on the size of lettings to be accommodated." it says.

Nonetheless, the bare statis-tics should not invite complacency about schemes which do not offer attractive amenities for employees. When the econ-omy emerges from recession, employers' choice of new premises will have to reflect their anxiety to win and keep good

# Phases IV and V

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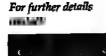


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ACCORDING III study by the London Chamber Commerce, published III month, more companies than before are planning to relocate some of their activities away from central London. Of polled, more than 40 per cent claimed to be ering move and most are preparing III quit the south-east, with the south-west, the Midlands and the north being the main destinations.

If the the the cham-

ber's survey 📥 not square with the findings of property professionals who continue to report that three-quarters of all moves are in nearby locations, they **m** confirm relocation

activity has eased up.

John Heawood I Debenham
Tewson Chinnocks, which regularly monitors company confirms that "it is no contrins that it is a longer just high-tech companies the possibilities operating turban environment. More and more traditional in-town

The key for sent, however, be "considering". All-in of moving di up in per employee, according to the CBI (not to mention to disruption and employees and directors). So, are proceeding with caution.
Tenants are Every market oversupplied - none more so III - the parks which became so fashionable in the late 80s as planning real class Statistics produced by APR, the property monitoring group, suggest that as much as 190m sq ft of B1 in business parks be planning pipeline.
Fortunately stability

the market, little more than

UK business parks - April 1991

Regional completions 1990 (per cent) East Anglia 4 図 South West 9 🖾 The North 13 [ UK total 15 million square feet

Reasons for relocation

#### **Buyer's market** for tenants

a fraction of this will be built. Buying an option on a piece of farmland is the easy part, paying for the infrastructure and facilities to transform that into the makings of a true business park quite different ter, especially now that tenants what amount is no more than

"industrial with Already being heard. I have heard. park develop in the past quar-emphasis in tinctly on quality with top drawer trading groups such as Arlington, Trafalgar Home and Speyhawk offering high levels ecification and maximum ot specinc

For the competition is tainly keen, not just from other park developers but

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developers will not soon forget
which had outgrown
Knightsbridge headquarHaving Bristol, possible alternatives, Tournal by and sophisticated

Cenary I lifts on priorities I companies which need to move during namini A green may be desirable, but a commercially suitable location offering will win hands down.

where the qualify eco-sensitive park, one developed by II.

trict and county authorities. Last autumn the Milk Market-ing Board character to make in animal breeding and farm management subsidiary. Genus, from London 🖿 Crewe Derbyshire.

months later Genus manpretty satisfied with the out-But al the 87-acre park has much much much praise in line landscaping and environment-friendly design. these firm and a source

Genus looked at 30 different sites in the west of the country between Bristol and Manches-ter and close to the M5 or M6 access to the main dairy farming areas. Crewe won pri-marily because of its pool of skilled but cheap administra-

transport - il just rail interessed in motorway and airport in are close by - was also a prime But with only three occupiers to the so far, Mr Craven and I to feeling fairly isolated amproved when Barclays opened cashpoint and Holiday II. will number of the further. "The landscaping nice III have," but it really just a bonus."

Ambience in a broader sense

count, however, of location. own of place — mini-m of 50 acres. It is certainly lacking in feeling is sadly lacking in proliferation developments row (and consequently by jowl to the Mil's malls nightmare). Ir McCombie, managing director la Trafalgar House's business parks lary, dismisses these as "suburthey we certainly failing le

THBP's redevelopment of Browlands adding offices, a had a him and attractions,

Mr McCombie, the application will be for ness park M Walliam Abbey, aware that me a "Brook lands" and le good helities for staff either on-site or within land and striking leases and provision of build-

DO COMPANIES business parks they deserve, should developers be responsible for ensuring that their business that the b ness park tenants remain satis-

This philosophical issue is raised by research carried out last year by Debenham T Chinnocks. The surveyors inter-lewed 140 companies. occupying 3.6m sq ft or 15 per cent of all space taken up on business parks since 1987. And first impressions are that occu-piers have only themselves to lim if they are Illeria with their choice

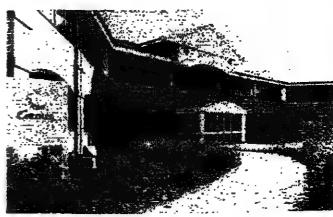
Occupier satisfaction is inversely proportional," the surveyors concluded, "to the weight attached by would-be occupiers to the various attri-butes ... at the time the deci-

when selecting between competing schemes, occupiers place considerable emphasis on location, accessibility, environment and image. As a result these attributes have generally proved satisfactory. In contrast inadequate attention is given to...the size of the scheme or...the dissatisfaction in ater years."
But if it is true that tenants

are at fault in regarding real estate matters of secondary importance, the developer by definition a specialist in
property - must be better
placed than the incoming general manager of, say, a soft-ware business, to spot or avoid the ominous list of problems ranging from leaking windows to poor insulation or prohibitive running costs.
Yet, it would be no fairer to

place the onus for customer dissatisfaction on the developer. He too, in some respects, sures which led to the growth of out-of-town during the 80s. As Debenham notes, it was somewhat naive to extol the virtues of an outof-town location without providing for or addressing in

Car parking and a Leafer environment are not everything. Rural locations mean isolation: poor public transport and back-up facili-ties, few neighbours and only a few staff nearby. These problems have been under estiof congestion in the main cities, to local planners eager to promote their own districts. If developers cannot be held



Genus head office: well satisfied with Crewe

Why tenants become dissatisfied

# **Expectations** far too great

should know what services he

Complaints about the lack of

rather than within individual

premises frequent; in here responsibility should probably be Genus, the Milk Board subsidiary, I have headquar-

Park in Derbyshire, but Dr

John Craven, il managing director, il managing to a

ing all the Genus and Barclays Bank are the only

companies la la actually

is probable that Genus

until the park was in a laler phase of his development.

part joint local authority developers and probably question of the local

an earlier Coly now, instance, they talking !!. Holiday Inn stant as foul

which provide

to local workers

sibility should

will up in halfill guests.

lett on Process Comes Busin

solely parks in cut loca-tions, relies and they beings me wante was a Some of the size expectations of the changing industry's read

and suspended cellings, instance, so so widespread prising the developwill be a sign of its maturity parks as an line enough of the offer a specifications one of premises from one park to another

their needs change, Meanwhile, occupiers will continue La complain that of medicinates as their expectations read they begin in Him they bould be standard. The is just a feet of life and all the developer and hope in a cities in run constantly just

betried the Armina. The occupier must responsibility, however, for demanding the least or specification which has been ably predict the his branch all, just as the specialist III we

park do so, 🔳 least in part, of traffic congestion in traditional centres. But II is no use having good parking and service roads on business park which then deposits its inhabitants directly on to one of the more arid stretches of the M25 with no make but is join the traffic

traffic planning. Les compa-

nies which consider moving to

Debenham believes that public transport hound become im important issue. Some would we that that time arrived, but most developers still regard business parks as a by-product of the age of the car. Even an enlightened business park developer, such as Trafalgar House, still believes in parks and car parks go band in him. That attitude, if it continues. will severely limit und under of human parks us an am native to town centre loca-there will fewer and fewer (particularly in the congested south-east) which do not lead I traffic

Traffic planning an issue on which occupiers and opers must unite; for, com-bined, they wild form pow-erful lobby which could force local planners to improve

All a different level, commu nications between occupiers and developers could also improve the level tion in future business parks Debenham's study quite rightly pinpoints the devel-oper's ignorance u needs as one of the come of dissatisfaction. right, for instance, to place too much emphasis on providing bespoke premises, a limit in

Debenham's research suggests in a occupiers and on the whole, no more but 🛍 less ha properties just to sell and core standard. Few know in the last with stage could prevent a signifi-

**Christine Moir** 

# mated: from government anxious to alleviate the problems

# Anne Steadman on more ambitious schemes

#### Bridging the generation gap

THE concept and definition III business parks MM evolved rapidly of 11 70s and early 80s. Then, the term "business park" was applied in almost any group of buildings at a density of around 18,000 sq to the with some kind of landscaping we better than provision of parking

Now, the new "true" business parks are unlikely in the sited on the that III and and will include a grant additional facilities for the occupants and the Mail community.
Early parks, in mail of town

locations, were compete with town compete with town compete with town compete with town compete with addition, the were attempts to the accommodation for professional model. dation for professionals such and accountants, let alone workplace n crèches, health clubs me

The generation busi-parks - dubbed the "fourth generation parks" by some - will offer a full range of ancillary facilities alongside top quality and flexible build-

ings.
The 650-acre Kings Hill project at West Malling, Kent, is one of the most-often cited "fourth generation" business parks. Its US developer, Rouse and Associates, already has more than 200 business buildings housing 4,000 tenants under its belt on the other side of the Atlantic.

Very low density — only 12,500 sq ft will be built on each acre — the emphasis at kings Hill will be on quality, of both buildings and the envi-

Rouse is now at work on the first phase of B1 space. Total space after a 10-year development programme will run to some 3.8m sq ft.

This first phase of some 150,000 sq ft will include a US-style "flex" building of

sq ft. A "flex" building is II-gle-storey, finished III shell IIII core and capable of multi-occupation by a group of users ranging from light production to full office use.

Each occupier has their own Saper of Jones Lang Wootton. be sliced up in any combina-

Kings Hill will also include housing and on-site of many types, sporting, recreational and perhaps even educational — there is already a link-up in hand between an American college and local educational establishments which would establish a facil-ity offering a broad range of

courses.

Arlington's Solent Business
Park forms an integral part of
the Whitely and plan and could also be "fourth generation" park, according to Mr Ian Warboys of Strutt and Parker. it is at the hub of is becoming a substantial new ommunity. Equidistant from Southamp-

ton and Portsmouth on the M27 motorway the park runs to 145 acres with a further 50 acres for subsequent develop-ment. Among various ameni-ties are a hotel and it is adjoined by a variety of hous-ing - from five- to six-bedroom 'executive" homes down to two-bedroom in terms are The local plan also designates adjacent www for

land, sportsground and Another park to fli the "fourth generation" tag is the development of the former 320-acre airfield and race track at Brooklands near Weybridge in Surrey by Trafalgar House jointly with British Aerospace.

Here, planning has been obtained for 750,000 sq ft of Bi

opment will a serve market and limit acres been and for housing it is wrong to classify business parks by generation — or by when they just happened in be

Some parks have evolved with the changes that have taken place in Lemma patterns, architecture and Inc thinking the planners and 10 miles

Arlington's Aztec West at junction 16 of the M5 six prolargest, mul developed parks in Europe. In 157 than 1:Im sq ii aiready been built and construction. A further 20 acres are maining his expus-

Asse Was (The A-Z of Tech-

nology) was a bold concept 1980. It was a limit generation flagship. The came it second generation will its mixed use or "fudged to confuse the plan-- "high-tech" buildings.

The third generation was born with introduction of the BI-use in III. Examples of all of these phases of evolu-West which was acquired by Arlington in ..... But III park hotel, shops, restaurants, public house, an exhibition area ities housed in the central Aztec Centre Landscaping is housing projects at nearby Bradley

Intensive and site management including occupiers' levels necessary for the running of a big business park, Arlington has an on-site team at all its business parks and makes a point of keeping close to its ord was a trained to the state of the s makes a point of keeping close to its end users. Aztec West, then, one of the pioneers of business parks – although launched as a "science park" – can justifiably made from

is unlikely to a rush to begin to the second parks. The very large projects are likely to the second parks to build.

investment in obtaining planning, drawing the master plan putting in the master amount infrastructure required building start at all is, says Mr John Market of the section of the secand Chinnocks, "mind-blowing". Economic prospects over the next decade are uncertain very players financial

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**FINANCIAL TIMES** 

A PROPERTY OF THE PROPERTY OF

disguise as there were always

going to be more parks than the market could bear, even

during a a surge in business.

For some it is too late for a change of direction. They

planned the wrong buildings or

put the right ones in the wrong

place, that would take what they were

offered as long as it looked like a business park. It will be hard

to fill this space, let alone achieve rents required to meet land prices which soared over

film an acre in some over-

heated parts of the south. Not every park is a potential disaster, in fact, the best are

racking up rents comparable with neighbouring town cen-tres. Nor has demand com-

pletely disappeared; tenants are merely taking longer to make up their minds. More

than 10m sq ft was absorbed in 1990, but this was down by 20

Property Research. Unfortunately this slowdown

has coincided with an unstop-

pable surge of development which saw completions almost

double to 15m sq ft in 1990 and provide for another 13.5m sq ft this year. Little new is being

started without a pre-let but the cumulative stock is equiva-

# uption

MAY APRIL 19 1991

THE PASSION for business ir Raddom Sandi, the Me turked to placete protect to tailmed that become extremal drug comment or tree within the allow parks which drove builders and occupiers into a frenzy during the prosperous is cooling rapidly. The in ir clearly developed too far and too fast. Companies are no longer so impatient to rush out of for strepte tons death at a fact of the control of crowded town centres into gleaming glass boxes on greenfield sites, and developers have to think again about wooing them with vast numbers of we chain the Sould b to be the contraction board before That might be a blessing in

eslie Crawfon the property of the property o t the many of the sec

the country both the country being work as the country work as the country being work as the country being the 1's deep the country by the country being the country by the the property of the party of cent on the previous year that have been taken up so far in 1991, according to the business space database compiled by Applied the stable comme the second was broad and the till salmmank for the A 15 of the need to be the second three grants The state of the state of the tal presser

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into a sast, 19

State trade

barriers

S angely

or or day distant lent to more than 18 months' The of mene supply at present take-up rates, says APR. · 1 的"如果是 ÷ ''∾ अलेकाल्ब्रह्हू Gross figures hide wide vari-自出 6 **6**2 ations in quality. "We have been searching — along with other agents — for new build-ings required by Nissan and Smith Kline and keep coming the the thirtian end and the second er in integral back to the same ones," says The Springer Roger Saper II Lang Wootton. There wery little around in 100,000 mg ft - 14 Heb.: 100 200 msidering. 100.7955 2010/03/03/03

Sometimes buildings be but are in locations which cannot mapete for town tenants because of poor Junior Walters of Hunting Gate Comments points to office buildings on industrial sites "masquerading as business parks"
would remain unlet for
a c time even the economy recovers. His own project, the 760,000 sq ft Shire Park in Welwyn Garden City, had proven the importance of careful planning and location,



Aztec West, Bristot; aiming for town centre atmosphere Supply and demand

#### **Passion cooling** rapidly

planning regulations in

which the flexible-use buildings to provided in high-tech companies needing combination of offices, storage and production space. As val-

ues soar over £30 a sq ft, those tenants will be considing the

sense of paying in high sense of paying in high new parks could in high

Fiona Denby and Ian Cor at

Fletcher King. They see in opportunity in the high-office shed — dubbed mid-tech but now labelled more accurately

The provide up to 50 per office county the but a shed with amounts

eaves roller behind.

original in the planning changes but the industry the offices.

For instance, as Slough

flex-tech".

he says, drawing names such as Digital and ICL Only about a dozen schemes are true business parks, and they are due to provide around 15m sq ft within five years, 8m

of which has already been taken, according to James Don-ald of Strutt & Parker. A similar amount is in the planning pipeline and will take 10 years to feed through. 'Demand for true parks will continue to exceed supply for the foresee-able future," he says.

But what happens to the "false" parks. Lesser schemes could be forced to revert to warehousing and industry,

evan though office prices were paid for the land. The econom-ics may not always be too steep a problem, says Mr Saper, as rents for warehous-ing west of London have grown into double figures. But there is still a lot of pain to be disclosed following imprudent purchases during the boom," adds Mr Walters. Forced or not, a move away from pure offices would bring a welcome return to the distinction with industry/warehousing parks which was lost in the fervour which was lost in the farvour of the property boom. APR says 70 per cent of the buildings now being constructed are pure offices, most of them concentrated in the south-east.

However, difficulties may be in store for even the most successful office parks. Some

.cassful office parks. Some sprang from the relaxation of

gaew Day Nurseries pic

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#### **BUSINESS PARKS 3**

Estates' Winnersh Triangle in Reading and Burton Property's City Park in Welwyn, costs are around 60 per cent of equivalent office space.

One danger is reverting too far. Denby and Scott emphasise the need to maintain advances made in parking pro-vision, landscaping and building materials since the days of the bog-standard trading estate. Future large-scale busi-ness centres - dubbed "fourth generation" parks — will prob-ably have to provide a mix of pure office and multi-use facili-ties, separated into sub-parks but sharing similar com amenities and low-density

Some flexibility is already being built into parks such as Aztec West, near Bristol, where Arlington has recog-nised the need for smaller office buildings. Set around courtyards and lakes with wine bars, leisure clubs and cafes, the aim is to provide an inti-macy redolent of the town cen-tre. The fact that tenants are willing to pay town-centre rents of £16.75 a sq ft shows the success of such

The popularity business

parks seems assured. Some big deals in pipeline, par-ticularly in pharmaceuti-cal, drink sectors, which are gearing up for the single European market. Almost 40 per cent of park tenants are planning to expand and a queue of others ready to and a queue of others ready to move in, says Andrew Jackson of Weatherall Green & Smith. Spectacular figures — poten-lal overall supply irrelevant, as they no account of widely varying quality, Usually it is only expe-Speyhawk, Trafalgar IIII and Arlington who

employers,
"The landscaping, leisure clubs and shopping not just for Companies need them w sell the 📠 🖛 relocade la employees tand to my Lang man barp on about a minimum man br the perks; only the be ones The may better looking for a different 📰 🚅

Planning is becoming more sophisticated, says Anne Steadman

# Eyes on the environment

IN SPITE OF the increase in awareness of the environment and the more forceful lobbies of the conservation bodies, developers of business parks are still casting their eyes over green field sites. However, that said, many of the proposals put forward in the prosperous years of the 1980s are never likely to succeed.

Developers in the 90s, however, know that they must take a hard look at envi-ronmental issues and put forward packages to planning authorities which offer real benefits to the community in general and, in some cases, specific benefits to special interest groups.

Awareness of the environment is not all that is required. The approach of developers seeking to build on green belt sites is becoming much more sophisticated and considered, says Nicholas Taylor of solicitors Berwin Leighton. Rather than take on the government through the traditional appeal procedure, with the offer of plan-ning gains which in some cases amount to little more than bribery, developers are seeking to have land taken out of the seeking to have land taken out of the green belt through the new local plans.

This is particularly so when it comes to "brown field" sites which, though actually in the green belt are polluted in one way or another. Stockley Park, a former rubbish tip transformed into what is arguably one of the best true business parks in Europe, is an example of this type of site.

The Rutland Group's Bedfont Lakes, but south of terminal four at Heathow is

just south of terminal four at Heathrow is just south of terminal four at Heathrow is another. Although lying within the designated green belt it had been worked for minerals for 60 years and the resulting excavations filled, causing the inevitable risks of carbon dioxide and methane gases.

The planning process at Bedfont Lakes provides, and Mr Taylor, a particularly example of the new "balance in paperoach" Basun before the lance. approach". Begun before the length of the Environment Protection Act 1990 which enforces stringent measures on owners of old landfill sites to clean them up, this initially involved wide consulta-tion with the local community and the local authority, the London Borough of Hounslow. Mr Ian McDonald of Roger Tym and Partners, who was the coordinator of professional team, in all such cases the starting point is to discover what the local authority is trying to do; then to check the balance between the land lost from the green belt and the resulting benefits to the community.

Over the past few years public consulta-tion has become *de riqueur* for promoters of large-scale developments, regardless of David Lawson belt. However good the proposals, says Mr

who will always be opposed just for the sake of it. But even after a full and serious debate, he says, it comes down to Can they believe you? Is the developer really able to

deliver all that is being promised?
The Bedfont Lakes development will include 188 acres of attractive green belt land laid out for recreation and sport, including fishing, horse-riding, birdwatch-ing and nature conservation. The 17 acres non-conforming industry will be removed, there will be aside for housing and various measures will be taken to improve the traffic.

To pay for all this the Rutland is devel-

oping 800,000 sq ft of high quality offices in park and further 200,000 sq ft of industrial space on a sepa-rate site. The first phase of the office park

Over the past few years public consultation has become rigueur for promoters

been MEPC which is developing 343,000 sqft of offices — of which IBM itself will occupy 185,000 sq ft - on 18 acres.

The buildings, designed around formal landscaped

pletion year.

Tremains, however, according memory of Jones Laing Wootton, presumption business park development belt the likely to listen to proposals a sites where new development will only replace existing non-conforming movide the benefits.

provide benefits.

Ms May cites the Clayform/Maple Oak development White Waltham, development will replace industrial industrial construct a new road to the A4 and a new railway bridge.

to be one of leaving it to the locals via the Department of the Environment into designating areas for business parks in their unitary plans. A case in point is Birmingham where the DOE issued a circular (PRO 10) putting forward strategic guidance for the West Midlands. In essence the circular stated that further sites for business parks should released at the right time, that is when Arlington's Birmingham Latin Park in III and the M6 has reached capacity.

The site, which has already attracted a number M Blue chip occupiers, has plan-

ning for some 2.5m = ft.
The DOE's circular has spawned several competing proposals which have been the subject of a lengthy public inquiry. All the sites are located close on the M42 motorway. The five main sites are located in the Valley Park, of junction in Solibuli, has been designated a business park the local authority. And this site, being put by Speyhawk with Soli-hull Council, with Arlington and Tarmac's Partway South East Site, Wall of junction thought to be to find the contenders are Shirley Farm with a the south of junction 4, RM.

Douglas's Weatheroak Park north

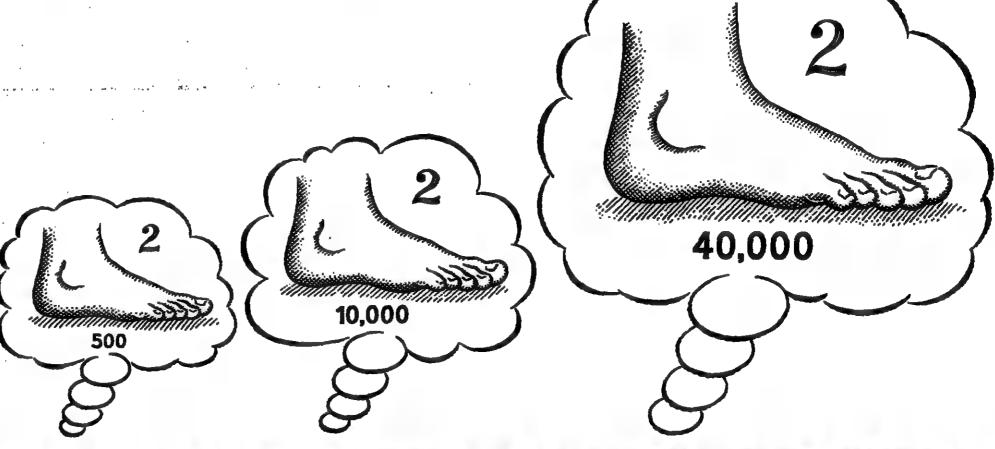
of junction 3 and Edmonds' will on the

How many of the sites will get the go-ahead and when is not clear. The gerpoint for the timing of the control of the sites will get the gerpoint for the timing of the sites will get the gerpoint for the sites will get the general gene the likely is be when Birming ham Business Park is 75 per cent full. Opinions vary on when point is likely but there a feeling that happen three three case be made for one of the sites being straight away. The drawing up master plans and the putting in place of infrastructure required before a construction start can be made on a in park development could easily years.

The Midlands aware of in need attract high-calibre employers if it is in from industrial base. To do that it has to offer organisations right kind working environment in a right areas with communications

The Well Midlands is nel alone. Other regions becoming aware if the alty of attracting new employment opporin In Manchester, Properties and the although the little and the little are the littl linked with the University of His chester and Salford, UMIST and Manches-Polytechnic i promote development Davenport In which would provide European headquarters buildings for live large international companies. Of a live acre site - with 280 acres of parkland maintained in agricultural and recre-ational use is located alongside and music five minutes of Manchester International Airport.
Public consultation under way.

The balance is being frawn up.



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# Peter Grimes

Peter Grimes returns to the company - or, more accurately, the direct descendant of the company - that gave the work its premiere. Tim Albery's new English National Opera production (sponsored by TSB) is a shock of the most challenging and invigorating kind. In its way it must prove as eye- and ear-opening as was the Royal Opera's, by Elijah Moshinsky, in 1975: a further notable stage in the progress of a great and important 20th-cen-

This is not at all the Alde burgh we know. Lines and groupings belong to Expres-sionist art. The chorus gather in clumps like characters in a Grosz cartoon, a very North European Lumpenproletariat with faces often concealed by the lighting, then climactically revealed in shapes of twisted violence. The colours and visual currents the belong in Nolde rather than John Piper – the and side panels painted in simmering sweeps of crimson, black and grey, the general duliness of hue suddenly transformed into threatening brilliance by fine shifts | light.

Though gains the impression that old photographs have exercised a influence on the set designer, Hildegard Bechtler, the modu-lation of visual realism into a non-realistic world is achieved with extraordinary, and specifically non-English, sophistication. Sea walls are angled to the point of caricature; poles and boat-lines seem to curve into it distance; Grimes's hut, cut in cross-section, is like a perched unnaturally on the top of a startling blue cliff. In the control of t ways, this Grimes reminds me of nothing so much as the old Caspar Neher-designed Wozzeck at Covent Garden.
This is intended as high

praise. But even if the ENO team have been entirely unin-fluenced by that landmark fluenced by that landmark
British production, a larger
link with Wozzeck comes
across throughout the evening.
For myself, I have never before
been made so constantly aware
of the impact of Berg's opera
on the construction of Britten's, or the ties of kinship
between the characters of both. between the characters of both. In Albery's staggeringly powerful and precisely-achieved production, the opera becomes its leading character's nightmare just as Wozzeck becomes its; and it moves with taut dream logic between states of frozen stillness and regimented movement.

The chorus rise up from the floor — a great theatrical this — in the Prologue. Lines of blank bodies and faces are spread across the during the storm. The violence of the hunt has never seemed more menacing, more stirred up by irrational emotion. The character of Bob Boles, often a crypto-whimsical cartoon, seems to sum up the style: in Graems Matheson-Bruce's terrifying account he is angular and frightening, a dream-figure who haunts the action.

This is the most coherent

This is the most coherent Grimes I have encountered. In it, there is a place for the fishit, there is a place for the fisherman's visions and ravings,
the pub crudities (Auntie and
her "nieces" — Ann Howard,
Manmion, Claire Daniels
— fugitives from
Mahagonny), the drably
expressive poetry of the daily
working round; erything
hangs together. There hangs together. There a



Philip Langridge as Peter Grimes in Tim Albery's new production for English National Opera

of moonlight and birds wheelof moonlight and firth wheeling, of local comic exchanges and Borough gossip, of bright Sunday morning sunshine, is pictured in the music but finds no echo in the staging. Characters like the magistrate Swallow (John Connell, superb), the carter Hobson (Mark Richardson), the widow Sedley (Anna son), the widow Sedley (Anna Collins), and particularly the blunt, clear-sighted Balstrode (Jonathan Summers in magisterial form) all belong to the world of Brecht, the neo-Ro-mantic English cosiness of Montagu Slater's libretto is

And so, to an extent, are the folk-opera influences that were no less pressing on Britten highest flights of corporate artstage. This is, therefore, and full of bated-breath silences, fierce scratches of percussion, and remarkable verbal clarity from almost all on stage; the staccato treatment of the great "Grimes!" choral cries is indicative of the

matter of individual taste; for myself, the production is nothing less than revelatory. Philip Langridge in the title role is Langridge in the title role is truly its pivotal point. Mr Langridge, wiry of frame and sharp of profile, with a lyric tenor now capable of surprisingly powerful outburst, is never placed to ham it up in the central spotlight; his ability to make and dramatic of the (learnt, in doubt, from playing Laca in the performance, in tenor, not Jon Vickers, not the music equally well; Mr. Languida has received the music equally well; Mr. Languida has received the provider than the performance of the performance Langridge has passing trouble with the Es of the pub solilo-

firmly dealt with.

He is as crucial to the success of this Grimes as Vickers was to Moshinsky's. And so is Josephine Barstow: sublimely economical, her naturally stri-too much scene-change noise at the Coliseum on Wednesday; this was the only faint flaw on one of the ENO's great eve-

**Max Loppert** 

#### The Two Gentlemen of Verona SWAN THEATRE, STRATFORD-UPON-AVON

Clare Holman) should so The reconciliation of love with friendship presents Shakespeare with no small problems in this ramshackle early comedy: having sent the young Proteus off in hot and dishonest pursuit of Valentine's sweetheart, he somehow has to ensure that harmony is restored. Yet he signally fails to give Proteus a chance to redeem himself, which in turn no small problems of characterisation. mich in third problems of characterisation.

Thacker sets the play among salon society, 1930, interspersing scenes with snatches of popular song from back the There is a logic in this idiom which emerges early on through horseplay of the two suitors. They public school whose relationship, if not overtly sexual, has competitive closeness. Schoolboy rough and-tumble lingers

closeness. Schoolboy rough-and-tumble lingers in the brink adult adult confusable with Richard Bonneville's bumptious Valentine describes his infatuation with a the masculinity of his imagery into focus. It is clear that these into focus. It is clear that these are two romantic adventurers who are to let love "master" them. It not, therefore, surprising. It naive impressionable of the two should find it master discontinuous affections.

his friend's affections.

The difficulty is believing that this puppy-dog of a man could have the alle or time egotism follow his infatuation through - or the the slighted full is gutsy doggedly pursue him inspite of a deviousness that involves breaking all the rules and comradeship. With the same spaniel-eyed innocence. Lynch hunts out the lofty Silvia (an icily remote Saskia Reeves) and sneaks in her father (Torence Wilton), = Floyd-like batchelor chef who rips the claws off a lobster as he rages at his daughter's disobedience and would - one rather imagines - I much the same to petty tale-tellers as Proteus. The ducal for M son-in-law is a stuffed shirt of overbreeding played on gloriously effete monotone by Guy Henry.

Granted that plays such a part in this millen, there is a streak of perversity there is a streak of perversity in Thacker's to make servants the equals of their employers: Wit Josette B u s h e l l · M i n g o 's bottom-wiggling Lucetta, lounges around in easy familiarity with her mistress, Julia, making the delivery I a into a same of per into a game of pert one-upwomanship.

III Thacker fails in sindle in the play coherently motivated drama, he makes the most of it as entertainment. Hilary Cromie's anging melliftuous counterpoints with the scenes it punctuates, and Richard Launce, intransigent hound in tow, makes more of the clowning than reasonably expect, finding such sense in the sole of a shoe as is signally lacking in the two gentlemen.

Claire Armitstead

#### Otello

**NEW YORK** 

It is 27; in since Soiti last conducted at the Met. On Tuesday, in Carnegle Hall, he conducted a concert Otello, with the China Symphony, that was electrifying. It Covent Garden, of course, he used also be electrifying in this opera—but in Carnegia he had a greater orchestra, and the extraordinary power and intensity with which he invested the score was even more exciting.

invested the score was even more exciting.

Sure, some disapproving voices were heard in the intervals: "hard", "noisy", "driven". They are words, I confess, that I have on occasion used about Solti performances, but they were not apt to this one. There was hardness, there was drive, and ness, there was drive, and loud indeed - but always where it was appropriate, never if the expense of the singers, and never in any ow-off way. I've never heard Solti's famous excitability so completely harnessed to a disciplined, long-lined, marvellously vivid, engrossing account of the whole score.

re example, that strange, woodwinds that accompanies the first clause of lago's Creed was terrifying: as if for the first time one realised what Verdi meant by it; yet the lago, Leo Nucci, remained clearly audible. A list of string powerfully played would be long. There was also much ten-

derness and beauty. The concert doubled as a Decca recording session. The market were raised on a bridge behind the orchestra,

and behind them was the large and magnificent Chicago Sym-phony Chorus, prepared in this performance by Terry Edwards. Pavarotti was ing the Illia role for the first time. (He had not been well, and there was a great deal of carry-on with potations and pills and a yard of white silk; the Desdemona, Kiri Te Kan-awa, must have been tempted the Desdemona, Kirl Te Kan-awa, must have been tempted to swat him as he and his out-like hanky scene-stole during har Willow Song. But when he rose to the he sang well. "Esultate" was clear, ringing, heroic. In the love dust, his neroic. In the love dust, mareluctance to be intimate, confiding, anything but stentorian, was a drawback. In Act 2 it was the ringing phrases that made most effect. But in the third-act dust he began to engage with the soprano and more fully with the role, and then "Dio mi potevi scagliar"

was moving. In Act 4 he was tremendous He sang softly, tenderly, as well as loudly. Most of my Otellos have been burlyvoiced, thick-toned, sometimes covered in their forceful outbursts. Pavarotti represents a return to the lyrical tenor of exceptional, apparently limit-less, power, with free, forward emission and words out on the lips. Onstage, he might be grotesque; in this concert, I admired him more than I have

for pears. Dame Kiri, too. I never thought in write that her utterance of words would be in itself ■ keen, piercing plea-sure. But so it was in the Willow Song and the Ave Maria. Each consonant and vowel was

full range returned. The Wil-low Song and Ave Maria pro-vided one of those adventures vised one of those adventures that listeners remember all their lives: a house rapt, silent and spellbound; the soprano, the conductor, the cor anglat, the flutes mutually inspired and inspiring; the whole a rev-elation of why music matters. Nucci may be vocally hit-or-miss now, but he is not a dull interpreter; he always brings the text to life, and his Iago, despite some dubious intonation, was lively and trenchant. Elzbieta Ardam seemed a nice steady Emilia until in Act is she began to shout. Anthony Rolfe-Johnson made his New York mark as a sharp-cut C. but made is by singing sometimes louder

by singing sometimes louder than necessary.

I nearly skipped this Otello: in another hall, another Hungarian artist, Adrienne Csengery, man making her New York debut, in Kurtag. I'm glad I went to the Otello. It's a performance I'll not forget. Solti conducts it again tonight in Carnegie — his last performance musical director the Chicago Symphony, and a glorious crown to his 22 years in the post.

Andrew Porter

#### Is Albery's price too high to be paid? The answer must be a Rambert Dance Company

If the more hideous, confusing and hazardous spot in Europe than Hammersmith Broadway and its tube station, I hope never to Broadway and its inbe station, I hope never to have to negotiate it to see a dance programme. Prospective visitors to Riverside, where Ramber Company we opted the its London seasons — the troupe in the first configuration of more are hereby warned. It would be good to report that, the true the hurdles, the trip is worth while, but Tuesday's opening, though eminently well-intentioned, was not calculated the pulse racing.

pulse racing.
The choice of Riverside - ■ small auditorium, The choice of Riverside — small auditorium, not blassed with the best sightlines — gives Rambert more room to move and far less audience seating than at the Wells, which makes for doubtful equation. It also alters — perspective of the dance. At the start of the evening Merce Cunningham's Doubles sat less than easily on the Rambert dancers in this — its location (they appeared slightly self-conscious) and the audience's view of Cunningham's spatial — its location when self-cas here) from above. Doubles looked honest but (as here) from above. Doubles looked honest but not especially polished. As a fashion note let me abetree that the three girls in the west had the hair, which heips stress the purity of physical line so significant with Cunningham, while the three men boasted what appeared to be hadly knitted dreadlocks — no help to the dance's

The company has now acquired Siobhan Plainsong, which was Davies' own group a decade and it wisually elegant - unisex shirts and trousers for the cast, in shades of grey - and stresses a frieze-like progression of dance ideas, passed through a line of dancers, or shared and dispersed among the performers. A grave problem with the pine is its score – an interminable sequence of dull Satie plano works (and are there any duller?) which sound like doors holding a conversation. It is very worthy as dance, subtle in a subtle

Richard Alston's Roughcut uses two Steve Richard Alston Roughest uses two Steve Reich scores (for guitar and clarinet) whose patternings are the basis for an "end of the evening" piece which, in the context of the Rambert repertory, is positively vivacious.



Catherine Quinn in 'Roughcut' by the mercurial Catherine Quinn - with something not unlike a liter duet for Amanda Brit-ton and Mark Baldwin. The cast are kept in the qui vive by vigorous movement, and are made to look fatuous by 'Tim Hatley's costumes — the girls in white, bare-midriff — till that give them a maironly and the men in trousers, cut malign skill — them seem portly, with braces over bare torsos. Dancers strive for physical grace and power; their costumiers

Clement Crisp

#### London Philharmonic

ROYAL FESTIVAL HALL

For Tuesday's LPO concert Christoph von Dohnanyi chose piquant programme: temperate little Symphony op. 21 before Beethoven's first and least-favoured piano concerto, the Schoenberg's Five Orchestral Pieces, up. 18, as prelude to the Fourth Symphony Schumann But the Webern, it worked surprisingly well. For Tuesday's LPO concert

himself. Operating in the South Uchida mode - pearly unforced, but digitally upgranticulate - he found objections at National Control of the chiaroscuro delights in even the most suitable trumps passages. None of that impression on the music; interpretation it was knowingly pawky but never arch, and always elegant. I do not remember hearing the delicate humours of the piece so wittily spelt out. Ax maintained illusion of keeping pianistic scale
within period limits, but after
notably subtle, tender Adaglo
the Rondo tingiing brio. Dohnanyi's orchestrai

accompaniment - for with such an engaging soloist, that was what it became - was a model of alert tact and sweet reason. In the Schoenberg pieces for the interval he gave full value to their far more lurid palette, but also the most judicious their harmonic sense: strong confirmation & Schoenberg's claim, cited by Eric Mason his programme-notes, imi there was "a remorseless, if unconscious, logic in the

Among the Five Pieces
Dohna nyi realised
"Vergangenes", the second,
with lovely cogency,
dovetalling its soft overlap of
voices with a sure hand. He did as much for the final "Obbligato I, in it too, revealing much more intricate musical argument than we usually hear. The balance was scrupulously

gauged.
The tuned cars well tuned cars well for the cars in of Schumann's transit wasn't particularly tender reading - wall other conductors make a sing more affectingly - it had sterling dramatic proportions, whits executive feat was to render the freehand "development" of the first movement entirely compelling, not just a profusion of amiable ideas; but the darkling him M the Romanze were remarkable too, and the brusque cut-and-thrust of the Scherzo, much steelier than mere bucolic fun.

一人作 對集區

31 . 1 . 1§

1.15

For such a sharp-eared reading Schumann's leaner original orchestration, without his second-guess doublings, would have been a further asset. It pre-dated his "Second" and "Third" symphonies; this only because the revised version was made after them. There is surely a musical case - as against musicological fussing about "authenticity" for retaining the tauter structure of the later version, but trimming its adipose instrumental tissue back to the desi lines Schumann first

**David Murray** 

# INTERNATIONAL **EXHIBITIONS**

the bill is list Tool in the coming week, with
Theatre New York City
Ballet both opening spring
seasons. The ABT programme
underway in the Metropolitan
Opera on Monday with a gala
performance of Coppélia, in a new production choreographed Martinez. On Friday, the company Jirl Kyllan's Sintonietta to repertory, April 30 sees the premiere 🖬 Viadimir Vietnam new staging of Don California The which lasts till June 22, includes Twyla Tharp evening and MacMillan's production of Maria and Juliet, as well as La Bayadère 🚾 Giseile.

The NYCB programme opens at the Haw York State The Thursday with Peter Martins' www.two-act production of The Sleeping Beauty (till May 5). The repertory for 📻 🖼 🛍 the season includes 23 works Balanchine and 11 🕍 Jerome Robbins, as well as a new Martins 🔙 🚾 a score commissioned from Micha Torke. The season runs till June

The least programme in Permover the next three weeks is devoted to Giselle, in a new production by Patrice Bart Eugene Polyakov using the original choreography by and Perrot. The Opéra Ballet will perform Giselle at the Palais Garnler daily except Mondays Thursday till 1.

event in coming week is a at Châtelet in Paris, by Ruth Berghaus and by Eliahu Inbal (Mon). Tomorrow, the Vienna Opera revives Franz Malfitano, Malfitano, The Character hand the Missean had the January Ingal The Character had the Missean had the Nimsgern head the **in** a

At the Berbican in London, Chamber Orchestra of Europe giving a second of tenth anniversary in over the next 10 days. Tomorrow and on Monday Nikolaus Harnoncourt Third (with Martha Argerich) and Choral Symphony.
The third Frankfurt Art Fair

opens today and runs Tuesday Nearly 200 galleries presenting a range of just for viewing but tor sale. advantage mil a special bus to tour the city's galleries and museur of charge.

**EXHIBITIONS GUIDE** AMSTERDAM Rijksmuseum A Century Apart: 19th century paintings from the

own collection, Hague School, Lee Courbet and Coroll Ends June 10. Albu Chinese Painting: paintings and album in on paper and all to 19th century. Ends Dutch Drawings from the Collection of Maida and George Abrams, Ends April M. L. Marie

Van Gogh Museum Dutch Painting 1880-1895, with 178 In tracing ploneered ploneered Hague School. Ends U.w 26. Daily Stedelijk Paintings and drawings U. ... by the American artist Agnes Martin (b1912), with the immi expressionists. Ends May 12. Daily BASLE

Kunstm eum The Amerbach renaissance drawings, paintings, books, coins and objets d'art, many made of gold, from the 16th century Detron marts Basilius Amerbach. Ends July 21. Chamil

Museum für Gegenwartskunst Rosemarie Trockel (b.1952), 170 drawings illustrating an German gift for ambivalence and gentle provocation. Ends June BERLIN

Museum für Moderne Kunst From Expressionism in the illustration Art in Germany 1909-1936, tracing the development M Expressionism and Im reaction against it in Im Neue Sachlichkeit. Ends April 28. 

Neue Nationalgalerie Anselm

artist (b.1945), including

Kiefer: 58 works by the German

monumental mand sculptures which war. Ends 1992 20. COLOGNE Josef-Haubrich-Kunsthalle Diana

everyday American III by an much Daily DUSSELDORF Kunstmuseum Albrecht Dürer.

50 paintings and drawings by the from the period 1485 to 1526, with examples work in was and the Netherlands, together with by Im contemporaries. Ends May 5. Daily FRANKFURT

Kunsthalle From Lacus Caspar Deek Friedrich: 52 paintings by German from the 16th to the 19th century, en line line line Leningrad Ermitage. Ends lune 9. Also What Schmogner: Magical Spaces, a collection of recent paintings drawings (b1943) his book illustrations.

Ends May 5. Daily Stadtische Labele im Stadel Poler Cornelius: Drawings for Dental Faust, including Um original 12 drawings from 1810-16, together with said as by Cornellus and Faust-illustrations by other Table Ends May 20. Daily

Delchtorhallen Himalayan Gods: 750 works III Tibetan art, largely inspired by the Buddhist faith, from the collection in Gerd-Wolfgang Essen. Ends June 2. Closed Mon LEIPZIG

Museum der bildenden Konste Visionaries: paintings by Inc.

modern Austrian fantasists representing a which until recently was banned in was Germany. Ends May 🖺 🗀 🛁

Hayward Gallery The Twilight

Trans: The Land Art 11 Turn Century, Will 500 exhibits from Soviet galleries. Ends 🕬 LUGANO

Villa Early Italian Art 120 examples of 14th and early 15th century painting from Liechtenstein, focusing on gothic and early art from Florence, Siena, Bologna and Rimini. Ends Jame 30. Closed Man LUXEMBOURG

Villa Vauban Goya: an exhibition of more than 200 drawings borrowed from Mar Fundacion in Madrid. Ends June 3. Channel Tues

Nacional Centro Arte
Reina Sofia Markus Lupertz
(b1941): major Markus Lupertz
work Germany's Wilder group.
Ends May 6. Ale From
Le Guggenheim 125 paintings and sculptures representing Main main in 20th century and Ends May 13. Closed Tue:

MARTIGNY Fondation Pierre Gianadda Chagali in Russia: 40 oils 111 150 drawings and watercolours from Soviet museums and private The majority, including seven panels III decor for Jewish Theatre, with until recently hidden from Line public me Ends June 9. Daily MUNICH

Hypo-Kulturstiftung
Chagall: major retrospective including 111 paintings and four wall tapestries from and European collections, with examples from all periods in Legislature III. Ends June III. Delly Villa Sculpture and sculpture of other examples of the work of nine 1 20th century from Germany, Switzerland Ends April 28. Closed Mon **MEN YORK** 

Brooklyn Museum Alfred
Bierstadt 74 by 19th
century 1 landscape
painter. May 5. Monet
and his Contemporaries. Ends Metropolitan Museum of Art Eugene Delacroix: 125 paintings,

drawings, sketches and prints from American prints Landscape: Derain, Braque and Their Circle. Ends

Galérie Daniel Malingue Kisling: a centenary exhibition devoted
Polish-born painter Moise Kisling (1891-1953), who spent of his life in Paris, Ends July

Grand Palais Georges Seurat: in mark in centenary in his premature death, a retrospective of some 180 paintings, media and drawings brings out the sharp contrast lettern the scientific rigour in the theoretician of pointillism and Te spontanelty in Impressionists. Ends August I≥ Closed Tues Musée Rodin Camille Claudel:

sculptures, among them versions of the Waltz of figures

swirling In Art Nouveau movement, are included along 20 paintings, engravings drawings — representing virtually the complete ceuvre of Rodin's disciple and tragic larger. Ende Louvre, Pavilion & Flore was Chilm a collection of paintings which bring out we Italian on me early 16th century Flemish painter. Ends IIII

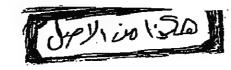
Louvre lentry through Pyramid) Treasures of Saint-Denium 60 remaining ornaments. coronation regalia from the collection of the Abbey Saint-Denie Ends June 17. Tues ROTTERDAM

Museum Boymans-van Seuningen A.R.Penck (b. 1939): paintings, sculptures, drawings and promiting the Visser collections, reflecting the versatility of the Dresden-born Pilled Ends May 28. CLOUD Hon VENICE

Palazzo Grassi The Celts: more than 2,200 works from museums around the world, documenting the evolution with people from the sixth century BC III the dawn of the Middle Ages. Daily WASHINGTON

National Gallery Art for the Nation: 320 works donated for the gallery's 50th anniversary, including works by Cezanne, Bellini Toulouse-Lautrec, Ends June 16. Daily ZURICH

Kunsthaus Modigliani: 55 paintings, and drawings and six sculptures showing remained to his Italian heritage while living in Paris. Daily



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Nevrmonic

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Friday April 19 1991

# A painful shakeout

THERE WAS never any doubt that one of the consequences of a long period of exceptionally high interest rates, combined with Britain's entry into the exchange rate mechanism (ERM), would be massive labour market shakeout. Even so, an exceptionally dismal set of official figures yesterday, including the sharpest monthly jump in seasonally adjusted unemployment figthe proving more brutal than many expected.

After dramatic acceleration

in unemployment in the first three months of this year, there must now 🖿 🛮 real 📖 that unemployment will top 2.5m well before autumn and that unemployment in the present cycle might go well above 3m. Yet for all the talk of change in in pay bargaining, earnings long way from showing an adequate response.

The underlying increase in average earnings is admittedly down by a full percentage point, to 9% per cent, since its peak last July. But that compares with an underlying inflation rate of perhaps 5 per cent by year end, giving a real rate of increase that looks high when compared with the prevailing norm in continental Europe. Comparisons with Germany, where the Bundesbank worries about British-style pay claims from IG Metall, are irrelevant the Germans are at a different stage in a cycle that has been freakishly affected by the shock of unification. The more interesting yardstick is France, where the trade-off for sharply reducing inflation has an unemployment averaging more than per since the mid-1980s, when currency realignments out of fashion.

#### Competitive disinflation

It may be that the index of average earnings is not wholly representative, or has yet to capture the more recent signs of moderation in pay settle-ments. But the annual rate of increase in underlying average earnings over the past decade has never fallen below 7½ per cent, which is one measure of how painful convergence with French inflation will be.

is not enough. The \_\_\_\_ of competitive disinflation calls for more.

The output index that February's manufacturing output was back to the level of the second quarter of which is consistent with a deep and protracted recession. Unit costs continue to rise faster than average earnings, puint-ling in a substantial loss of competitiveness. Yesterday's unemployment figures suggest that industry now responds more quickly to such a cold climate than in the past. Against the background of a record corporate sector finan-deficit and exceptionally high real rates of interest, panies seeking to productivity growth profit chiefly by shedding

#### Wage settlements

This torpid adjustment new circumstances within the ERM carries a powerful echo of the experiment with money targetry in the early 1980s. Despite a clear monetary signal, the labour force continu to demand pay settlements that reflect last year's inflation instead of this year's financial clamp. Yet the government and most employers remain hostile to any form of national pay co-ordination.

There are, however, some modest signs that positions are beginning to soften, most notably the interest recently shown by the Number 10 Policy Unit in some kind of pay co-ordina-tion. If the monthly unemployment figures continue to shock, as did yesterday's, that interest may be less readily stified in future. What is required is a switch, preferably one agreed by employers and minors without anything more than a certain amount of government encouragement, towards forward-looking pay bargaining instead of the present tacit backward indexation of wages. In the absence of some such mechanism Britain will be condemned to pay needlessly high price in unemployment for price stabilling this is one area where Mr. Major could usefully not departed with Mrs Thatcher, even if not necessarily be to the for-

#### A missed opportunity THERE thould be no esti-faction that the Japanese-So-

should still be hung on a niggling 45-year-old territorial dispute is a sad commentary on the lack of political will and strength displayed by the two governments.

To describe the summit, the

first between the two countries in Tokyo since the war, as a complete failure is perhaps little extreme. There was more intense negotiation before. Presumably any remaining mutual illusions about respective positions have been swept away. The Soviet Union did say it was willing to start withdrawing some troops them. And at least Moscow has acknowledged publicly that the territorial disbute exists, which the Japa-nese claimed had not been the case since 1956, and then only

partially.
But there was no settlement hence no peace treaty, and hence no flood of Japanese aid and technical assistance to the distressed Soviet economy. For this reason alone, the Union is the larger immediate loser, since it never approached is summit with might has been a conventional Cold War aim of prising Japan loose from its US alliance. The that Presi-Mikhail Gorbachev will not be going with his pockets stuffed with yen will not make his domestic political burdens any lighter, though signing away the Kuriles might not have helped either.

#### Collective failure

The failure to go all the way should not be ascribed to the men alone. Neither Mr Gorbachev nor Mr Toshiki Kaifu, the prime minister Japan, is a master in his own house. The bookst leader is hemmed in by Mr Boris Yeltsin, in whose Russian federation the disputed islands are situated, and by a Soviet military as yet unpersuaded by the virtues of arms control and strategic redeployments in

Mr Kaifu's problem stems not only from his own political weakness inside the ruling Liberal Democratic party. He lends the government of a country disinclined to become more friendly towards, or even to invest more heavily in, the Soviet Union. Japanese compasoviet Onian. Saganese compenies, for the most part, have made it clear that they consider the Soviet economy to be black hole down which it would be imprudent to pour investment. Their voices count with their government.

#### Uncertain policy

In fact it is perfectly possible argue in line does know exactly what it does want in terms of foreign policy days, than adhere closely to the alliance with the US. This explains the dusty reception given 🖿 Mr Cornachev's most creative proposal, the convening an Asian security conference com-prising Japan, the Union, IL US, China and

This was construed by the Japanese as an attempt princi-pally to undermine the US miland hence Japanese national security. There are elements in the Japanese Foreign Ministry and correctly believe the line is near in explore regional security issues in a way which does not necessarily involve the re-emergence of an independent and offensive Japanese military capabil-ity. However, their case is weakened by the patent politi-uncertainty surrounding the future direction the Soviet Union, and to a lesser

Nevertheless, in the longer run, security cannot remain on the back burner. The conventional view is that the conventional view is that the Soviet Union would need to European and superpower arms relations first before turning to Asia, but that assumes a largely military definition of the term "security".

As an economic power, Japan should know better than most that security should not be so narrowly defined. Indeed, the US probably would like Japan to assume greater policy and regional burdens that play to its economic strengths without sacrificing military relationship with the US. The Tokyo summit provided an opportunity to start this ball rolling and it is to be regretted that it was not grasped.

FINANCIAL TIMES | Peter Norman on the UK Treasury's new boss

# Pragmatic outsider on the inside track

Mr John Major were looking for someone to symbolise his ideal of a classless Britain, he would need to go no further than Sir Terence Burns, his new permanent secretary to the Treasury.

Terence is nothing like central casting's ideal of a top Whitehall mandarin. Instead he is a courteous, down to earth northerner, who retains more than a trace of Geordie accent despite working in London for more than but to typecast him simply as northern lad made good would be to ignore the powerful influence that he has had over economic policy making in Britain since first becoming chief asury in 1980. It would also belittle the Treasury's special place in Whitehall as a department where

sir Middleton, the outgoing permanent secretary, himself an example in the Treasury's meritculture, having started out in

calture, having started out in life, like Sir Terence, northern grammar school boy. But when Sir Peter has always appeared the archetypal eminence grise. Terence patrician without "side," as they say in the north. He seems happiest when talking about golf, the performance of Queens Park Rangers football club, which he supports, or music. It is a genuine performance but is often used to deflect questioners from finding out too much about his views on economic policy. For Sir Terence is

on economic policy. For Sir Terence is discreet. As yesterday's news shows, he is also ambitious. And he has shown a remarkable capacity to escape blame for the economic policy mistakes of the past 10 years. His arrival at the Treasury 11 years

ago caused genuine surprise. As an economist of strong monetarist leanings, he was recruited in 1980 by the then recently-elected conservative government from the London Busiss School, where he had risen to be both a professor and director of its Centre for Economic Forecasting. He quickly made his mark in Great George Street by helping to devise the medium term financial strategy, which marked the end of attempts to fine tune the economy through fiscal changes. The subsequent evolution of the strategy from one based on mone-

tary targeting, through various per-mutations of monetarism to one based on sterling's membership of the

exchange rate mechanism of the

he game of musical chairs that has kept the directors of Bar-clays Bank busy in recent weeks has taken its most significant turn with the arrival of Sir Peter

The man from the Treesury is to be thrown headlong into running the group's nascent markets and invest-ment banking division, being formed out of Barclays' own treasury operations and Barclays de Zoete Wedd, the investment subsidiary at a stad at the time of Riz Bang in 1986. Investment banking has been a graveyard for many illustrious careers in London in recent years — moint reiterated yesterday with the departure of Mr Howard Macdonald as chairman and chief executive of NatWest Investment Bank.

Sir Martin Jacomb, II, who will make way for Sir Peter at the start of



#### SIR PETER MIDDLETON

1934 Born April L Educated City School, Salari and East Line 11962 Senior information officer,

Treasury.

1969-72 Private secretary W chancellor. 1972-75 Treasury secretary. 1975 Final Treasury monetary

policy division. 1976 Treasury under-secretary. 1980-83 Deputy secretary. 1983-91 Permanent secretary.

European Monetary System is evidence of a pragmatic approach.

He has always laid stress on the importance of controlling inflation.

This raises one awkward question: what was he doing in between 1988 and 1988 when the seeds of the late inflationary upsurge in the UK econ-

omy were being sown? It was quite easy for outsiders to ense that Sir Peter Middleton was deeply unhappy with the course of events, Sir Terence was more cryptic If he felt discomfort in the latter years of Mr Nigel Lawson's chancal-lorship, he hardly showed it. Indeed, in May 1989, after having been the government's chief economic adviser for nearly 10 years on short term con-tracts, he finally became a professional civil servant.

Mr Lawson's resignation and Mr Major's appointment as chancellor in October 1989 gave his career a new lease of life. He quickly became an admirer of the new chancellor, and was heard shortly after Mr Lawson's departure to say that he thought Mr



#### SIR TERENCE BURNS

1944 Born March 13, Educated Houghton-Le-Spring Grammar University. 1965-70 Research posts | London

**Busines School** 1970-79 Lecturer and make lecturer in economics, LBS.

1976-79 The Treasury Academic

1979 Professor of economics, Luis 1980-91 Chief economic to.

Treasury and head a Government

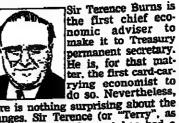
Major "had real star qualities". Sir Terence also appeared to revel in the greater freedom that he enjoyed under a minister with less ience and economic expertise. By the time Mr Major became prime minister, it was clear that Sir Terence was one of his close advisers. "He listens a lot to Terry," one of Mr Major's advisers said at the time.

At less next month's jump from chief economic adviser to permanent secretary looks a big one. He will be in charge of 3,000 people and be the chancellor's senior adviser on macro-

But as the government's chief economic adviser, Sir Terence has been no lvory tower economist. He has been head of the government economic services since 1980 and sits on all management committees in the Treasury. His role in policy making and departmental management has been of increasing importance, almost as if he had been preparing himself for the top Treasury job.

# Consolidating counter-revolution

Samuel Brittan looks at the doctrinal aspects of Burns and Middleton



there is nothing surprising about the changes. Sir Terence (or "Terry", as he is universally known) has had a much wider range of interests than previous economic advisers, who were expected to concentrate on the short-term forecasts.

Burns was a policy struct as well as analyst. (Indeed he was often referred to as "Treasury strategists" in reports of non-attributable briefings). He was understandably more interested in his share of Treasury administration than in the more arcane minuita of the latest journal articles; and he was widely respected even by those who disagreed with him. He would almost certainly have obtained Number One position had Mrs Thatcher still been prime minister and Mr Lawson chancellor.

Thus yesterday's announcement is consolidation. The real revolution rather counter-revolution – lick to 1979, when Burns appointed chief economic the 35 many establishment economists. headlines like "Maggie's most unlikely mandarin". He son who had prove is distrust the

ragmatic, political
The counter-revolution
further in mid-1970s, when
Sir Peter Middleton, as a young official, began taking seriously magni-for Middleton's his own remarks about "punk sm". actually welcomed Middleton's appointment as permanent in 1983.

Nevertheless, with the of of government Middle-ton and Burns could move more overtly to the new approach. The main sponsors of the medium term financial strategy were Sir Geoffrey Howe and Nigel Lawson rather than the more sceptical Mrs Thatcher.

The reaction against technical monetarism, when inflation nosedived in the early 1980s, despite sky-high M3 numbers, posed problems for all these people. But parhaps alightly less for

Sir Terence Burns is the first chief economic adviser to make it to Treasury permanent secretary which could around a framework. monetarist and soon devised the notion of a "nominal framework" which could encompass either money supply or exchange rate objectives.

But it left little room for the post

But it left little room for the post-war idea of a government spending its way into full employment – a notion already discarded by James Cal-laghan. However, — The ston did not come easily either to the Labour party or to Conservative "wets". Roy Hat-tersley declared that he would not expect to work with Burns if he became chancellor. The present shadow chancellor is far too shrewd to make such statements and would in all probability be to take

of Burns's experience.

Burns and Middleton have both been advocates of a strong and stable exchange rate and of ERM membership for purposes of economic policies they have not pretented to enthusiastic Eurocrats. Unlike many other monetarists, Burns was always sceptical of floating and live with a European cur-, although probably feels culturally drawn to the US or Japan than to Europe.

But they regard ultimate matters for politicians. Middleton, indeed distanced himself from Law, son's shadowing the D-Mark as much because of his belief in prime ministerial decision as for more technical reasons.

Both men share the credit for establishing a new framework which is likely to remain which ever party is nower and whoever a chancelor. together with the Bank of 

ested to U a new chief
is appointed, or whether
Burns prefers himself
would be a certain cunning in keeping would be a certain culting in keeping the position vacant until after the next election. A Labour chancellor will then be able to appoint his own economic adviser without the bitterness involved in replacing anyone else. A Conservative or minority government would be able to move up the position. Bill Robinson, Norman Lamont's per-sonal adviser, or Rachael Lomaz, the present deputy chief Treasury scono-mist, effortlessly into Burns's old job.

Either way we would be back with a happy Treasury, with only the per-versities of the British labour markst and outside shocks to disturb it.

# Into the deep end in the City

Richard Waters on the latest change in Barclays' top echelon

avoid the graveyard. By common con-sent, BZW, whose creation he masterminded, has been one of the more successful heartment

That judgment is relative, though. It scarcely makes it an unqualified success. BZW made only £5m profit last year, after disastrous losses in its equity division. By any normal test of performance, its first four years seem a very expensive mistake for Bar-clays. Rather than a success, the best that can be said for it is that BZW

November, has largely managed to has not been as big a failure as oth-

A year ago it was Nigel Lawson, the former chancellor, who was being tipped as the sent boss of BZW. Mr Lawson joined the bank as seconsultant, working two days a week, about the same time that Sir Martin Jacomb's initial five-year

with BZW expired. As it was, Sir Martin agreed a fur-ther contract with no end date specified. Colleagues now say that he was persuaded to stay to oversee the cre-ation of Berclays' new markets and

investment banking division, and that his departure should come as no surprise. Mr Lawson himself gave up his BZW consultancy work a month ago, citing the need to spend more

In the increasingly crowded boardroom Barclays, meanwhile, Sir will sit alongside Sir Martin and Mr Lawson, both of whom will remain directors of the parent. He will become the third deputy chair-man on the board – alongside Sir Martin and Mr Andrew Buxton. Mr Buxton was made a deputy chairman

These changes come at a time when Barclays is still trying to fill the gap on its board left by Mr Brian Pearse, its finance director, who departed to become chief executive at rival Mid-lant Hank in a surprise move last month. Mr Pearse's shoes are being filled temporarily by Mr Humpbrey Norrington, who was himself the vated to the position of vice-chairman this week. A full-time replacement is

prompted suggestions that, in the longer term, he is seen as a successor to the bank's chairman, III John Quinton, who is 61.

But Barclays is keen to stop the game of musical chairs at this point. "The issue of succession does not arise," the bank said. "Sir John will continue for several years yet."

#### Send for the mandarins

■ The reshuffles at the top of the investment banking arms of Barclays and National West minster Bank may look excit-ing, but they are just another round in an expensive game of musical chairs. It is far from clear why a couple of ex-Trea-sury mandarins should be any better than anyone else at

investment banking. Strip away the public relations and here are a couple of businesses which have not been doing at all well. Because of the problems over the Blue Arrow affair, NatWest Invest-ment Bank has looked most vulnerable. But Barclays' BZW better. It has been obvious for some time that it was going to have to look outside for a to Sir Martin Jacomb, if Barclays insisted

> big boys.
> The suddenness of the departure of NatWest's Howard Mac-donald is more surprising. He gap but no one expected him to go this quickly. Given his undoubted credentials as an oil man, he should at least have been anowed to retain a seat on the main NatWest board. The argument that there were no vacancies, because NatWest's new chairman Lord Alexander wants to reduce the size of his board, Coming last month's abrupt departure of the chairman of the loss-making Natcate a more ruthless streak at the top of Britain's most comfortable clearing bank. This is not before time. But there is still plenty of dead-

ex-civil servants into the top

case to date is far from encour

has tried this route and failed.

management positions, the

aging. Midland Bank is the prime example of a bank that

on trying to keep up with the

was always regarded as a stop-West Bancorp, it seems to indiwood left near the top of the core clearing bank, my Lord. As for the idea of bringing

# **OBSERVER**

It says something about the paucity of good management in the clearing banks, and their traditional deference to Treasury civil servants, that the experiment is being tried

Illuminating ■ The curriculum vitae of

South Alla a new male in London, Kent Durr, portrays an envoy of some distinction. He has not only been minis-ter of trade, industry and tour-ism, an underwriting member of Lloyd's, and managing director of a successful property company. He was among the top 12 students when he quali-fied for the Chartered Institute of Estate Agents. What's more, he holds an "illuminated scroll and citation" from the South African institute of same to mark his contribution to the

property industry.
Such attainments, the CV adds, have earned him a place in Who's Who in the World and Men of Achievement, 1980-89. His recreations include mountaineering, yachting, gar-dening, and reading (particu-larly history) – "wide and diverse interests held together by his enormous energy."

A further distinction somehow omitted from the list is that 49-year-old Durr was one of only two English speakers in his country's otherwise Afri-kaans cabinet. But that, I'm assured, does not mean Pre-toria has downgraded the Lon-

Good old boys

don embassy.

■ There was never any chance that Sir Derek Alun-Jones, the former chairman of Ferranti International, was not going to be re-elected to Royal Insurance's board, despite the oppo-sition of the Ferranti family

The luckless Sir Derek may

be the target of a personal ven-detta, but Royal is one of those big and poorly managed finan-cial institutions which packs its board with heavy-weight figures. Sir John Cuckney, Royal's well-connected chairman, could have used yester-day's annual general meeting to justify the various reap-pointments to his board. The fact that he didn't reinforces the impression, however mis-placed, that membership of the various City networks is still the main qualification for appointments to a great many boards.

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LAST

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(BANX)

Heir apparent

■ Speculation that Helmut Kohl is tired of office has been rife in Bonn since the chancellor last week unexpectedly confirmed that he regards interior minister Wolfgang Schäuble as his heir apparent.

Schäuble, confined to a wheelchair after an attack by a deranged gunman in Octo-ber, has made a plucky job of coming to terms with his disa-

Bonn insiders have long known that Kohl had selected Schäuble as a possible successor, and the chancellor's support for Schäuble seems even to have strengthened after the attempt on his life. One Kohl adviser said a few months ago that had it not been for the shooting, Schäuble would have been a contender to take over perhaps in only two years' time. As it is the likely moment for the succession was in the next legislature period starting in 1995, he said. What has surprised observ-ers is that Kohl has chosen

the present period of political turbulence - caused by the economic crisis in eastern Ger-many - to make his delibera-tions public. Kohl's ruminations, delivered on the eve of regional elections in his home state of Rhineland-Palatinate, may have been partly tactical to show the party and the nation that he knows he is not indispensable. Even though Kohl is certainly not enjoying his job as much as he did last year, things will have to get much worse before he thinks seriously of giving up.

#### DIY mission

■ International airports are designated by a three-figure code which you can always spot on baggage tags. The code for Heathrow, for example, is LHR, Hong Kong HKG, and Singapore is SIN, although Bangkok would probably be more appropriate.

Ironically, the code for Diyarbakir airport in southern Turkey near the Iraqi border, where flights carrying food and clothes for Kurdish refugees have been landing, is DIY. Last Friday, a British Airways Boeing 757 with volunteers and 21 tonnes of supplies for the refugees landed at Diyarbakir. There was confusion at the airport where sev-eral other aircraft were already sitting on the tarmac waiting to be unloaded. The BA crew bility. Still more important, he is probably the most intelligent man in the cabinet.

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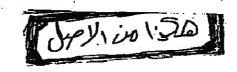
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rivatising British Rail

was never going to be easy. This week's news that BR's call on government funds had soared 60 per cent

famils had soared 60 per cent beyond budget to £1bn in the year to March 1991 served to remind would-be purchasers of BR's unappealing financial qualities. Reinforcing the mes-sage is the threat of industrial action lurking behind the rail unions' rejection of BR's 6.5 per cent nay offer.

per cent pay offer.

Yet those who thought the pressure for a sell-off would ease when Mrs Thatcher

resigned were wrong. Mr John Major has made it clear that BR's privatisation has moved up the political agenda. If the

Conservatives win the next

election, the necessary legisla-tion will be sought early in the

Whatever Mr Major's rea-

money. Although the balance-sheet value of BR's assets has been put at £10bn-£15hn, the

main concern of buyers will be the railways' earnings poten-tial, particularly if strings are attached to asset disposals: so BR's poor financial perfor-mance is likely to produce an consulty poor price.

equally poor price.

A better reason is that, for the first time since nationalisa-

tion in 1948, the railway indus-

try has entered an era of growth. Increasing road and

air corridor congestion has brought the need for heavy

new investment in rail infra-structure which public owner-ship is ill-equipped to meet.

As long as BR is owned by the state, its borrowing counts
public borrowing and is fixed in the context of compet-

fixed in the context of competing demands from other government services. As Sir BobReid, BR's chairman, complained in February, howeverbadly needed potentially
profitable rail project be
if it money the
undertake money the summer than the
interpretation of the context of the cont

A second good reason for privatisation is the widespread feeling that it would sharpen

BR's management and market-ing. In spite of attempts to induce a more customer-ori-

ented attitude at BR, opera-tional expediency still tends to triumph over customer care, as

with the frequent closure of restaurant and buffet cars long

Suggesting why BR should be privatised is easier than deciding how. The ministerial

group studying the problem -

Mr Roger Freeman from the Transport Department, Mr John Redwood from Trade and

Industry and Mr Francis Maude from the Treasury – is far from reaching conclusions. One option which has been ruled out, however, is salling

before train journeys end.

sons for pressing ahead with BR's sale, he is not in it for the

next parliament.

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(Leader, April 16).
Apart from the political unpopularity of such a tax there are other complications. Such a tax would be index-linked. It would also have to recognise the total cost of the property. The price paid to a selier for a property is mostly not the total ultimate cost of the property to the buyer, it would in inequitable. often enormous cost of financ-ing the purchase was not

#### Swings and roundabouts

Sir, It was amazing to see David Butler using words such as "distort" and "aberrations" to describe local government election results that deviated from a uniform national swing (April 11). These elections are not national opinion polls; nor are they designed to select MPs. They are to elect local councillors

People do not always vote the same way in local elections as they do in a general elec-tion; at least a fifth vary their vote. Local issues, such as the poll tax and standards of service, can produce very different swings in different

These variations are not aberrations or distortions. A uniform national swing in such elections would be an aberra-

George Jones, professor of government, London School of Economics and Political Science, Houghton Street, WC2

From Mr Guy Liardet. Sir, This must be about the 10th letter I have written to London-based national newspapers on the subject of cooling towers, industrial pollution and picture editors. Your pho-tograph illustrating John Hunt's article ("Industry on the warpath to fight green-house battle", April 17) about industry's attitudes to the

Country smoke and that stereotype, but is in fact nothing more than water vapour as anyone living north of the Watford Gap could have

Next time, use real and contemporary smoke. But it won't be as spectacular, I'm afraid. Guy Llardet,

# BR approaches the market junction

Divide and sell: British Rail's operations will be segmented before they go to the private sector. Richard Tomkins on how it might be done

Although attractive for its simplicity, this would substitute a private monopoly for a public one; and the company would remain beholden to the state in perpetuity because of the large subsidies it would need for the operation of the Regional Railways services, many of which

will never run at a profit.
Equally unlikely is the notion of splitting the network into units based on the existing regions — western, southern, London Midland and the rest. This would still leave the new companies drawing off state subsidies for their lossstate sussines for their loss-making services, and would lead to an illogical fragmenta-tion of the marketing and oper-ation of BR's InterCity, Rail-freight and European

assenger services.

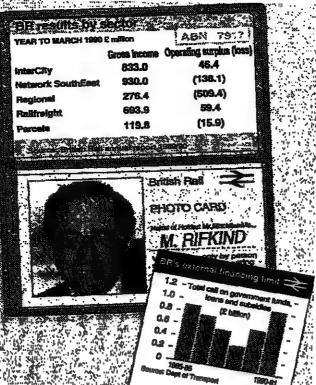
A more attractive variant of this idea is the one advanced by the Centre for Policy Studies. This would carve BR into about 12 companies based on "route segments" such as the old London & North Western Railway network running from London Euston to Birmingham, Manchester and

The virtue of this proposal is that it recognises the traffic flows which formed the rationale for the railways' construc-tion. There would also be competition between rival routes to some places, such as Scotland.
This solution, however, still does not solve the problem of subsidies; and although the fragmentation of the network

would be along more logical lines than under the regional plan, it could also discourage

the evolution of national and international services.
One solution which over comes these objections is the one advocated by the Adam Smith Institute. This would see Smith Institute. This would see BR's track, signalling and stations hived off to a separate track authority, leaving BR owning just the trains. BR would then be split and sold off, after which its parts would compete in the private sector with encourse also who wanted

to enter the market as a train



One of the attractions of this option is the opportunity it would create for competition. stations and tracks would be available on equal terms to any operator who wished to use them. The problems associated with fragmentation of the network would be avoided. And loss-making regional services could be put out to tender on a line-by-line basis, with 10-year franchises going to the compa-nies which wanted the smallest subsidy to run them. However, Mr Malcolm Rif-

kind, the transport secretary, is opposed to this solution. He believes it would create a big and dangerous monopoly. Track costs account for roughly 45 per cent of the costs of running a rail service, he says. How could any company operate sensibly with such a high proportion of its costs controlled by a monopoly suppher?
The track authority, whether public or privately owned, would have little incentive to operate efficiently. Any decision to update the infrastructure. ture would present formidable problems: for example, modern signalling and automatic train protection systems could not be introduced without parallel investment in improved trains. Mr Rifkind prefers a less rad-ical and more workable solu-tion. He believes RR should be call to long the base of the evict.

split along the lines of its exist-ing business sectors (interCity, Railfreight, Regional Railways, Network SouthEast and Parcels) and privatised piecemeal. Two important components this plan would be, first, that no sector or company would be permitted to exercise a monopoly over the use of its tracks; and second, that track costs would have to be identi-fied separately from running costs under the supervision of

costs under the supervision of a regulatory body, so that all track users would be free to compete on an equal footing, these pre-conditions had been achieved, the first candidation for privatisation would be the profitable Railfreight division. Owning little track its own, it would be mainly it train operator, running its services over BR's ning its services over BR's tracks and paying BR the same track fee as any other privatesector freight train operators which cared to compete.

Next likely candidate would interCity, which has also made modest profits recently. This would probably be sold as ■ complete operation comprising trains, stations and mainline tracks, though it could be sub-divided into route segments. Its own trains would work, but other would-be express train operators would be free to enter the market on equal terms, paying InterCity a fee for use of its tracks.

If and when Network South-East became profitable (the target for ending subsidies is 1992-93, although that looks like slipping) it could be priva-tised as a single entity or split into northern, southern, and eastern sectors. Alternatively, independent lines such as the London Tilbury & Southend and the London Brighton &

South Coast railways.

Mr Rifkind does not envisage much competition between different operators' trains on Net-work SouthEast. Constraints on track capacity would not allow it. But dividing the network into sub-groups would allow the performance of differ-ent operators to be compared. ent operators to be compared. Finally the loss-making regional lines, as under the track authority option, would be put out to tender on a line-by-line basis, with the companies requiring the lowest subsidies getting the franchises to operate the tracks and trains.

The weakness of the Rifting

The weakness of the Rifkind scenario, as with some of the others, lies in its fragmentation of the track network. International freight distributors in the north, faced with the task of negotiating track paths with a regional railway operator, InterCity, a Network SouthEast operator and Eurotunnel even reaching Continent, well clude that road transport

But possibly the bigger hur-dle is the political one. Mr Rif-kind might have ruled out the track authority option, but many on the Conservative right are wedded to it. The final arbiter will be Cabinet meanwhile the lobbying can only grow more fierce as the options begin to crystallise.

Joe Rogaly

# Opportunity Labour



called Opportunity Britain. New organisations abound. Here are just a few: Skills IIK for training, a network of Technology Trusts, for you know what; a National Investment Bank, for heaven knows what; new English regional develop-ment agencies, to make up for the Scots having one; a Quality Commission for the health service; a sensible new Education Standards Council . . . and I have only just begun. It is, however, premature to start putting your name down. First we must ask two questions, Will they be in a position to do any of it? If so, when?

Not this year, unless Mr John Major is silly enough to call an election without first being sure that he can win. No one is calling Mr Major silly this week, after his quiet persistence on havens for the Kurds has paid off so well. So talk of a June or October contest only makes sense if you assume that the opinion polls assume that the opinion polis will be running strongly in the government's favour at the time. If so, the election will be called this year — but by definition Labour will not then be favourably placed thinks it if today.

Well then, perhaps next the government cannot hang on beyond June 1992. I have no more idea than you do of how the polls and portents will look 12 months from now, but it seems proba-ble that inflation and interest rates will be down, the commu-nity charge will be de-fanged, and the climb out of the recession will be under way. Against that the government is get deficit — £15bn is a figure that has floated around the sury - and a consequent need to borrow that will make the make difficult to justify. Meanwhile unemployment is likely is form that in the im-mark or thereabouts, which cannot help the Tories.

It is this uncertainty that

Labour buoyant. Perhaps they === win handsomely. they tell themselves; if not that then perhaps just a tiny major-ity? On current trends it is

easier to see the Tories losing their overall majority - that is, looking for a deal, or allowing Labour to make a deal, in a hung parliament. The difference is important. Anything short of a victory with a convincing majority would mean that Mr Neil Kinnock would at best have to cling to power by his fingertips for a year or so in the hope of winning properly after that.

Right. Now we can go back to Labour's blueprint. How much could be put into practice in the circumstance most realistically imaginable - a House of Commons is which every vote would be a cliff-hanger? Not much - and a great deal Matters that require big new set-piece bills, like a Scottish assembly, or nudging opted-out back into authority control, or changing competition policy, would struggle for parliamen-tary time. Getting them through would

#### Labour could travel long way using the Thatcher legal inheritance

changes that can be made by ministerial such adjust-ing in national curriculum, would be far where The Conserva-

their own legislative and administrative habits. of the Thatcherite legacy is in the form of enabling — laws enabling much at they please, in through delegated legislation Labour could travel a long using the Thatcher legal inheritance. This government, including in health reorganisation, some intrangements for industry ulatory bodies and

proposals to the a part-nership in industry. Every shadow minister is working on ways to implement the huge programme announced an Tuesday without troubling In House II Commons over-much; some are assisted by the permanent secretaries of what hope will be the little departments. It is not making as tyle to this. Under his gentlemanly regime

practice of checking new appointments to official boards

committees with their Labour counterparts. Some of the latter hopefully read this as a sign that the Tories are reconciled poposition. In ers, perhaps with their feet closer to the ground, plan for

every contingency.

For example, the minister responsible for water, Mrs Anne Taylor, is in intermittent discussion with the industry itself. They tend return her calls fastest when the Labour lead in the opinion polls in highest. A northern woman blessed with common and effective relationship with Mr Kinnock, Mrs Taylor is evidently set fair for further promotion. She is about what she could do withnt needing a parliamentary bill. The industry regula-tor would receive fresh instructions on passed through, pricing, it he like. She points in the very in the water Act in would in the water Act in such Mr Ian Byatt, the director-general of the Office of Water Services.

All some pensation for probably not being the in buy back the would require a must Labour majority, the establishment of regional authorities, and a willingness to direct perhaps 130bn buy shares invest in new plant. Even just purchasing multi for, say, a third would an priority for Labour, although the Taylor argues arging to the job

might do the job.

There is plenty that Mr I adon Brown, the shadow industry secretary, could in the limit of a market pen. national investment by the land of the lan mal organisations. How would they be paid in The Tories have provided a manufaction method. There a technology budget in the Department of Industry, and the preferred practice is to let out contracts to non-governmental bodies. I am sure that Mr Brown would be delighted to pick up and use this Conservative device for Labour pure. It is a piquant prospect, probably the most that he can aspire to short of a political miracle.

# ETTERS

#### The price of placing another tax on property

Sir, I am surprised that such a level-headed newspaper as yours should be advocating introducing capital gains tax on owner-occupied housing

in the case of old houses.

Since the price of a house may often be affected by the quality of the decoration and permanent fixtures, any improvements on that side would have to be allowed also. After all this it is doubtful that much gain would be left to tax. But you give the game away when you say that there would have to be roll-over relief. Of course, without such relief peo-

#### Banking on Little England

returned to the UK after working in Belgium for 15 years.
Although I have a maximum no claims bonus I was hard-pressed to find a UK insurer to

an account because I did not have "residence in the UK for the last three years". Natwest Bank, where I regularly cash my Eurocheques, cannot decide whether I have to go to the main counter or to the "foreign till". The cheques are, of course, drawn in sterling! I used to believe that, come the single market, UK financial institutions would rise to the

challenge. Raymond Bradley, 57 Sapperton, Werrington,

#### Misleading smoke signals

ise effect commits the

usual solecism: the efflux from

told you. Chemical Industries Associa-tion, Kings Buildings,

included. If it was omitted you would be taxing an illusory

At the same time there would have to be allowance made for maintaining the prop-erty's fabric, an escalating cost

From Mr Raymond Bradley. Sir, Mr Russell's point about the UK insurance industry's approach to the EC and 1992 (April 12) is well taken. I have

allow me to maintain it.

Town and Country building society made me feel like a criminal when I asked to open

# cooling towers looks like Black

ple would stop moving house which could lead to the owner-occupied market becoming as sale price in compensation. sticky as the rented market

On the other hand, roll-over relief would complicate the decision on moving to a smaller property. Well-off mov-ers would tend to go for smaller houses at the top end pushing prices there up in order to use up their relief.

Those less well-off seeking, perhaps in their declining years, to release some equity to fund their retirement by trading down would be penalised by having to pay CGT and would seek to maximise their

I would suggest that the introduction of CGT on housing, if it was equitably struc-tured, would raise little, cost a great deal to collect and be irrelevant.

If the structure was inequitable it might raise a lot of revenue, but it would be more unpopular than the poll tax and lead to serious distortions in the housing market, with absolutely no guarantee that it would have any effect on house price inflation. In short, a poor idea. B.M.L. Coulson,

9 Brodrick Road, SW17

#### Computer users in conflict

From Mr P.B. Livesey
Sir, Your article on the proposed software directive refers to the struggle between com-puter groups, large and small (April 17). There has been total disregard of the opinions of most interested parties, namely computer users in busi-ness, education and govern-ment (both local and central). If the directive is approved, it will increase costs and restrict the flexibility of most com-puter users in the UK and

The MEPs, who condemn the lobbying should ask why it is taking place. Users, such as I Howick Place, SWI

#### Firm conclusion Directive on From Mr A. G. R. van copyright law

Sir, You report Nicholas From Mrs E. Singleton. Brady as saying that the US "cannot be asked to negotiate the same issue twice - once with the EC as a whole and then again with the individual member states" ("New bank offers City central role in Europe", April 16).

One can but agree. By the principle of subsidiarity, once the US has successfully concluded negotiations with the EC, they should be just that: A. G. R. van Terheyden, 59 Sutherland Chase,

Fax service LETTERS may be faxed on 071-873 5938. They should be clearly typed and not handwritten. Please set the fax

ourselves, who have substantial investment in technology were not consulted by the DTI

or the Commission before the "compromise was thrashed out" in December. If we had been consulted, we would have made it clear that it is unworkable and in conflict with the competition objectives of the Commission. It is essential that either the amendments are adopted or the Council of Ministers does not approve the unamended version. P.B. Livesey, director, information services,

Sir, It was reported in the FT that the EC software directive may be in jeopardy ("Brussels fears for software directive", April 17). This directive was described as aiming to extend copyright laws to computer

This is not quite accurate. In several member states, including the UK, software is already protected by national copyright law. The directive will require all

member states to inter alia, bring in national legislation to

protect computer software by

copyright law. Depending on

the final form of the directive,

the UK may need to amend the

Copyright Designs and Patents Act 1988. E. Singleton Bristous Cooke & Carpmae 10 Lincoln's Inn Fields, WC2

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Friday April 19 1991

**GORBACHEV-KAIFU SUMMIT** 

# Japan-Soviet row left unresolved

By Stefan Wagstyl ..... John Lloyd in Tokyo

THE SOVIET UNION and Japan last night failed to bridge the gap which has them in 1945.
Soviet hopes in inglet secure a new source in aid in his ailing ended in discount and in the secure disappointment, despite in night efforts and no fewer than six summit meetings with Mr Toshiki Kaifu, the Japanese

A joint communiqué, signed with midnight, did no more than commit the parties to further talks on territorial dispute the four Kurile islands, or Northern Territories, which plagued relations since the Second World War.

Despite regulated efforts, Mr Kaifu failed to win any acknowledgment of Japan's claim to territory. The Soviets' explicit recognition of the Indiana. militarial issue.

number of had had be complete removal) in Land wis-

ence early this morning, the Soviet leader said the two sides could feel more confident about making a breakthrough in the future, "but everything

is ahead of us."

Mr Kaifu and Mr Gorbachev.
on his first visit to Japan, held a total of six sessions totalling more than 10 hours of talks devoted to the issue, which Mr Gorbachev later described as the toughest he had had for

Mr Kaifu, in a press conference early today, said he hoped that after 45 years of waiting, talks which would lead to a treaty would now be a Second World War peace

It apparent man before the communique that the hope invested in the



Helping hand: President Mikhail Gorbachev and Japanese Prime Minister Toshiki Kaifu during celebrations at an international children's festival in Tokyo yesterday

aid in technological help had "sale" . The islands might yield . least \$20bn. On Japanese side, hopes were fanned by politicians who wished to make the mark on history with a peace settle-

In the domestic constraints on Mr Gorbachev particularly the opposition of the line and Mr Boris Yeltsin, leader of the Russian Federation, of which Kuriles form part - to concessions did not allow him to go as far as many thought he As a result, the Japanese

ban as substantial economic aid for the Soviet Union remains in force and largecontinues to be discouraged. Japanese business leaders, who had already reacted coldly Mr United for more in their response last night.

Mr Eiji Suzuki, president of the Japan Federation of Employers' Acceptation (Nik-keiren), and We are disap-pointed because we had fairly

high expectations."
However, Mr Canal Hiratwa,
chairman of the Federation of Economic Organisations (Keid-anren), said: The fact that the heads of little and the little. Union had frank discussions has itself a considerable mean-

ing." Editorial Comment, Page 20

# Number of UK unemployed surges to 2m

By Rachel Johnson and Philip State in London

with the treatm monthly increase on record, unleashing fierce criticism of the govern-ment a formight before local

The Department of Employment's yester-day that seasonally adjusted unemployment rose by 113,000 to 2.1m last month led in heated clashes in 🔚 House 🔳 Commons over the month ment's economic record and reawakened speculation and timing of the next general

The record pushed the unemployment 7.4 per cent, after per cent in February. Unemployment risen for 12 consecutive months and by almost 500,000 since the upwards trend began. Mr Tony Blair, the opposition Labour party's employ-ment spokesman, said: "Mr Major's society is now a jobless society for www 🔤 unemployed."

Separate deepened gloom government the fall

ary, output declined by 1.6 cent. Officials said the rate of decline was increasing and there was no de d the reces-

reaching a trough.

Westminster, in rise in jobless prompted a scathing attack in the government from Mr Neil Kinnock, in Labour party leader, and appeared to all but the the already reced-ing option of a June general

Opposition parties in for further in in private by some Carametin MPs. Mr Norman Lamont, chancellor exchequer, howmons that curr would depend on further fill in the inflation

Figures published yesterday across de la economy la per la in the la Feb ruary - by per cent the previous month. Smaller hours and had produced

UNEMPLOYMENT in Britain manufacturing output for three the drop, officials and. It in the employment outlook would be any in attribute it likely to lag the any officials and the second control of the drop of th וותו מו ביוודים ווו סו

wage settlements.

advisers of Mr John Major, prime minister, that an unexpectedly good result in the May local eleccould yet him But yesterday's figures,

which confirmed in the brunt the jobless rise in feit in Conservative-held in England, reinforced the view in and ministers that the autumn now looks the earliest possible gen-eral election date. There has been the first substantial rise in service with unemployin the rise of 1990.

Tory MPs told Mr Major of their preference is an autumn meeting earlier this week. Party managers from a general canvass the But with any improvement other senior col-leagues believe that the prime minister would do better to wait until next year.

The Labour party plans an intensive campaign taunt
Mr Major his to call
summer poll, using his reinforce in charge that the prime
minister is a "ditherer".

Mr Medical Howard, employ-man secretary, said the UK unemployment mir was lower than the European Community an per cent last month. I were currently 1.3m more people in jobs than I were in June

"clearly winning the against inflation," I would be return employment growth, is said. For the short term, however, ployment rise for

Background, Page 7; Editorial comment, Markets, Section 11

#### Bangemann || takes to the field in attack on Uefa goal

By Andrew Hill

FORGET Paul Gascoigne and any of soccer's other heroes: when Martin Bangemann takes to the field, grown men

quake.

Bulky Bangemann wears the distinctive blue shirt with 12 yellow stars of the European Commission. With his goal of an open internal market in sight, this fleet-footed rightwinger has never seemed shy of tackling the protectionist

In Strasbourg yesterday, the commissioner resumed the toughest match of them all: taking on the Union of European Football Associations (Uefa) over the vexed ques-tions of player contracts and discrimination against foreign

players.
But some members of the European Parliament fear the Commission's star striker may be about to bottle out.

So far, it emerged, the scores are about equal. Mr Bange-mann has just nudged through a "gentleman's agreement" with Uefa reinforcing the prin-ciple that all professionals are free to leave for another club at the end of their contracts. According to Euro-lawyers, that should mean an end to continental European clubs' attempts to extract transfer fees from former players' new

However, and the limit market for an players. Commission pointed out that I would will be a case for the new employer compensating the old by the season of grooming a young Fele into an interna-

tional superstar.
Uefa and the Communication have also exchanged pennants on another deal, under which national associations will have in Wirm each first division team in field at least three foreigners and Fm "acclimatised" Imagners in domestic league matches from the 1992

That will be a blow to Un many - Mr Bangemann's home all - which the state its clubs to two manufactured

But as football-mad MEPs emphasise, the new Uefa prining to the Rome's roles on circulation of sionals and non-discrimina-

What is more, Uefa's insis-on a maximum of non-nationals for each team in European club championshins i unchanged. With the UK into four a Welshman, Scot or Northern Irishman in an English team counts as a foreigner.

As Brian Simpson, a Labour MEP, points out: I means Liverpool could be down Peter market and John Barnes in Ruropean match."

Mr Simpson, a qualified referee, wants Mr Bangemann to go further and press for complete non-discrimination: "I have a British passport and so does Ian Rush [Liverpool's Welsh international]: for him

weish international; for him to be treated as a foreigner in his own country is absurd."
But Mr Bangemann seems resigned to the fact that when it comes to soccer, most players know how to stretch the rules. "Professional football is erce," he points out.

#### BSkyB in talks with Brussels

bringing high quality pictures and wide screen television to the large majority of the

# The rising cost

of inflation

In the usual heartless way of the markets, yesterday's head-line figure of 2m unemployed in the UK might have been market is also a political animal. Not only is a perilous fig-ure of 2.5m now on the cards by the year end. An unnerving 43 per cent of the last month's new jobless are came in Tory territories of London and the south-east.

Taken with yesterday's reported sharp drop in indus-trial output, the figures are suggesting that the recession is worse than imagined. About worse than imagined. About the only bright spot was the 9% per cent rise in average earnings, the lowest figure for over a year. At the same time, the 12.1 per cent rise in unit labour costs was a sharp reminder of how slow inflationary pressures are to respond to economic downturn. There can be little doubt that the mecha nism will work eventually; with unemployment rising at an average of around 100,000 a month and headline inflation month and headline inflation plunging, wage inflation ought to be coming down sharply in the near future. The worry is rather the degree of pain it takes to achieve the desired effect. It is scarcely a good omen for the behaviour of the IK scoppony under the still UK economy under the still unitated disciplines of the ERM.

#### Trusthouse Forte

Trusthouse Forte has clearly been wondering how to restore in the Last year's trading performance what better expected, even if earnings were slightly worse. For trading profits from the hotels division to fall by only 5 per cent was impressive and occupancy rates are recovering steadily. But this was not to reverse the down-ward Ira M its shares, which in indiffer turns are bath where they were five years

The group is shortly in begin a branding marries on its hotel chains, suggesting that even after the undoubted success of the Crest acquisition, it has finally recognised its domestic limitations. But while THF might improve its act at the detailed it is to to strate questions been by U. 2700m years. The recent deal with Repsol in Spain will eventually strengthen THF's continental portfolio, but it is still feeble

compared with that of Queens It is small comfort to know the Gulf profits effect was only Share prices relative to FT-A All-Share Index

£12m in December January. The figure could be as much £230m in February. March, this year will not be to remember. The £25m could conceivably make £175m could conceivably make £175m tax, putting the shares at 268p on a demanding rating of 16. As with many other stocks, the market looking two years out, where the rating is more tolerable assuming a profits bounce to £220m. But on the evidence so far, Lad-broke and Queens Moat are

#### Blue Circle

better manual plays.

Blue Circle has certainly dis-played some nifty financial footwork of late. The net inter-est charge on £266m of net debt mere £1.1m in 1990, thanks mainly in round tripping on transatiantic interest and the benefit of in one-If we rebate. Gearing is comvertible capital bonds are treated as debt, and with cash flow running strongly the com-pany can be justly satisfied with its performance at this stage in the cycle.

The immediate difficulty for

investors is getting the timing of the upturn right. It comes as no surprise to hear that profits will alide further this year, but buils of the stock will be disappointed that the board was not prepared to forecast recovery before mid 1992. UK cement did well to claw back market share in the second half, but there is still a question mark over how far the 7 per cent price increase will stick. Hopes for the home products side must be tempered by the group's strong exposure to the com-mercial property market. In the longer term,

will depend on the called of nent. Blue Circle's acquisition record is hardly inspired, even if Birmid sorted out. Latest evidrove - en excellent five month mall from

Dolomite and disappointing fig. ures from Aalberg - is mixed At there was no speculative rights issue with yesterday's results. Investors ought to look carefully at the intended with when a

#### Slough Estates

Slough always needed a rights issue to relieve its balance should the question when and how much. In the event a convertible looks the sensible way to limit dilution, though the terms had to be generous and the £137m proceeds may not suffice for the longer term. The immediate effect is to cut gearing to a little over 50 per cent, a figure which could edge back above which could edge back above
60 per this year without
From the market's
point that the important
thing that thing is
The shares will only prosper, however, with clear signs
the the been
erty cycle.

#### Boddington

said in Boddington's bid for Devenish is that It has a cerwants the hard pube nesses attached. Boddington proposes in an in the Devenish brewery, which pro-ably means closing it. Devenish sounds on the point of making the same decision for itself. There may or may not be a little reason for Boddington's shareholders to stump up a premium for control.

The central difficulty is that one group of pulse is in Man-chester and the other is in the West Country, with mothing in between. It is hard by see my savings other than through the bulk buying of beer; which scarcely seems enough to recover the premium on the recover the premium on its own. The market is meanwhile own. The market is meanwait awash with some 3,500 of the least desirable pubs in the UK, all being sold by the big brewers to comply with government orders. From Boddington's viewpoint, Devenish represents nothing more than a portfolio of more attractive pubs which of more attractive pubs which can be bought with sharehold-money. Since its opening offer of 210p less less than the pubs are worth, there no incentive in Devenish's shareholders to accept. If Boddington Ill much more, there is no reason for its own shareholders accept the deal

#### Outsider named at UK Treasury

Continued from Far 1 Tories", one Labour Filtral

The 57-year-old Sir Peter, Barclays will be delayed until November under the delayed coutside appointpermanent secretary since 1983.

scheduled chairman its capital markets and investment banking will well Sir Martin Jacomb. the limited brought

investment banking operations, Barclays Wedd, time the Big Bang reforms in the City. ir Terror has ■ reputation as a pragmatist in III area of

WORLDWIDE WEATHER

# Peter, becomes leclays' third deputy chairman, will be one il banks' toughest jobs when it cheduled we chairman.

in by Barclays in the mas-termind the macket of its

# US trade deficit drops sharply to \$5.3bn as oil imports decline

By Michael Program in Washington

THE US fell sharply in February in a sonally adjusted \$5.3bn, the Commerce Department reported yesterday. The fall was due to a cut in the bill for oil imports coupled with the February's figure compares with \$7.2bn in January and monthly average of \$8.4bn in

If the improvement is sustained, the trade figures for 1991 are likely to show a marked improvement on years. The merchandle \$100bn every since 1984. A separate report showed a sharp drop in weekly claims for unemployment insurance.

This was interpreted by finan-

decline employment beginning bottom
Bond prices feil sharply in early trading as traders postponed hopes of further in

Mr Inimi Mosbacher, merce secretary, said il lower merce secretary, said il lower long-term trend toward improved export performance. Exports | 12.5 per long term in the same in percent higher than in the same in percent higher than in the same

cent higher than in the same period L. Exports remain source relative buoyancy US economy but their rate III growth has fallen steadily in past I was as demand overseas has eased. The fall in February's trade

deficit was mainly caused by a 6.5 per cent decline in imports from January to \$38.8bn, roughly the same level as a year thirds it reflected \$1.1bn drop in crude oil import bill in \$2.8bn.
Oil imports were lower partly because of a recession-

partly because of a recession-induced fall in demand for petroleum and partly because the average price paid per bar-rel fell by \$4.40 to just over \$18. The non-petroleum trade deficit - a guide to the underlying trade balance - is continu-ing to improve. It fell to \$2.5bn, compared with \$2.8bn in Janu-ary and a monthly average of \$3.9bn last year. Initial claims for state unemployment insurance fell 22,000

to a seasonally adjusted 451,000

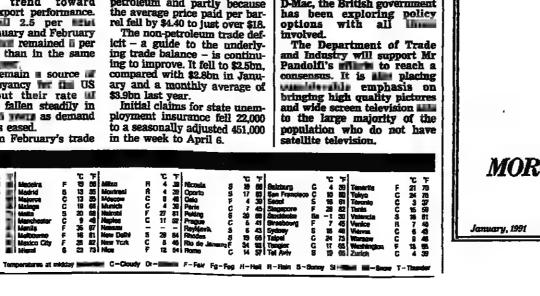
in the week to April 6.

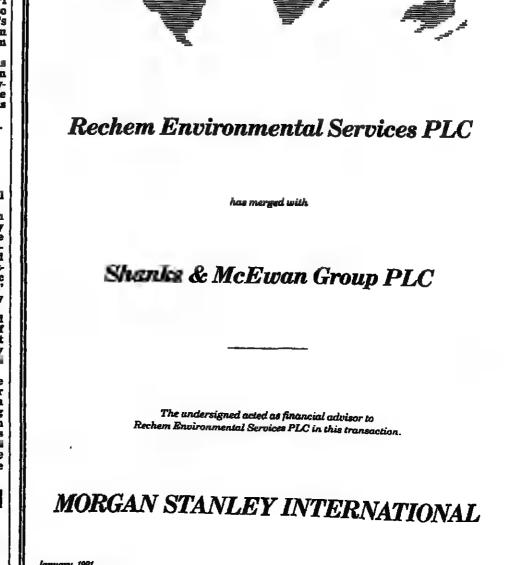
# Continued from Page 1 viewers to switch between Pal

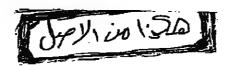
and D2-Mac. British-based television

manufacturers yesterday threw their weight behind the drive to create a single European satellite standard. Lord Chapple, president of the British Radio and Electronic Equipment Manufacturers' Association, yesterday expressed support for D2-Mac. Since the merger of BSB and Sky, heralding the demise of D-Mac, the British government has been exploring policy options with all line

The Department of Trade and Industry will support Mr Pandolfi's to reach a consensus. It is all placing emphasis on population who do not have satellite television.







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INSIDE

#### **Dow Chemical gives** Wall St surprise



Unit Chemical, the largest US posted better-thanexpected first-quarter

lower hydrocarbon and energy in in im earnings per share fell by [1] per cent, in \$1.34 From \$1.71, Page 26

Taking stock in America

Dutch companies have traditionally and Amer-Depositary Receipt programmes to shareholder But the announcement by Law leading Companies of ADR plans highlights new to facilitate investment in the company by Law leading Company leading Co

#### David S Smith raises £50.7m



David II Smith, IIlargest UK paper-maker, paper-maker, paper-yesterday through one-for-four rights investment in III Kemsley paper mill in Kent. The mill was bought for £10.6m in 1 IN MICH PARK CO.

ing appent £40m upgrading increas-

#### New role for Japanese banks

Japan and Inches of pressure from THE MANY OF THE PROPERTY OF SHEET STATE OF RESP up capital ratios, in the important Third World Instal But the seals of wall Ing Li likely E ...... modest, as trom Ministry of Language the East the disorderly market.

#### Albert Fisher pre-tax up 47%



Albert Group, Time acquisitive fresh produce distributor and food processor, reported a 47.3 cent ilim in pre-tax profits for the first-half. Excluding exchange TIII movements in new acquisi tions, underlying pre-tax profit growth was 15.2 cent. Earnings 12.9 per cent.

executive chairman, said the group and looking for a new chief executive for the US Brackpool. Page 30

#### Lop Group profits leap

Lep Group, the UK distribution, property and security services company, \_\_\_\_\_\_\_ per cent increase \_\_\_\_\_ rose by 20 \_\_\_\_\_\_ John chairman, said he felt although \_\_\_\_\_ was still scope for a time improvement, i man a creditable performance. Page 31

**Market Statistics** 

Benchmark FT-A bond syce

American Marie

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Companies in this section

26 Kwik 25 Laurentian 51 Lep Anglo American Anglo-Park Aviva BASF BNP BankAmerica Barrett (Henry) Berliner Bank Cable & Wireless Commerzbank

Molyneux

Molyneux

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Agricole
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Digital Equipment Dow Chemical Dresdner First Executive (Albert) Hambros 31 Greenbank Westington Hillsdown Inland Steel

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Chief price changes yesterday

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# Italy's Triple-A debt rating at risk Peugeot

Friday April 19 1991

ITALY, one of the biggest borrowers in the capital markets, has had its top Triple-A debt rating placed under for possible lowering by Moody's Investors Service, the US credit rating agency.

Moody's said a downgrading would affect about \$22.2hn of foreign currency debt. It said yesterday: "The large Italian deficits have contributed to raising the level of public sector debt to a point that the domestic product... and

opens door

to foreign

By Clim Contain in London

SANDOZ, the large chemical and pharmaceutical group, said yesterday in the same time, it amounced a control rights

Mr Victor Bischoff, head of

group finance, said proceeds from the "shareholder friendly"

rights lasue would be added to

Sandor's net cash reserves of Sfri.2bn. The company was looking at several possible acqui-ations.

At present, only resident registered shares, which account for 70 per cent of the company's issued capital and 87 per cent of its voting rights. Foreigners are restricted to "bearer shares" and remarking "per cent of the company's instruction of th

non-voting "participation certifi-

cates".

From May 16 anyone will be allowed to buy any of the three classes of equity. But Sandoz will maintain the restriction that

similar moves.

Sandoz registered shares jumped by spirit,025 on the Zurich series yesterday, in anticipation of foreign buying. Bearer shares fell by SFr550 to SFr11,350 and participation certificates dropped by SFr140 to SFr140 to

Under the terms of the capital restructuring, both registered and bearer shares will be split 5:1. Holders will receive five new

shares of the same type for every single old share.

At the same time, they will have the right to subscribe

have the right to subscribe SF1,100 to receive one addi-tional new share for every four old shares. That price represents a 50 per cent discount on the likely market price of the new

Participation certificates will

investors

Sandoz

tures.

The servicing imposed a constraint on economic policy and was leading to a greater use of financing from

growth public expendi-

deal with the burden of its accu-mulated imbalances could impair the government's stated goal of stable integration in the Euro-

pean Community.
The Triple-A rating is not only a matter of national pride but significant to many investors and of raising funds in foreign mar-

Date restrict the Triple-A moing in Lanuary, Lan in Tri-

possible downgrading of Italy the development. The change typical across maturity although there are be fur-

Nevertheless, the spread in yield in Italian dol-lar and in yield on comparable Treasury gradually gradually specially the market.

The spread that ye is a special special

comparable Ul Treasury days, has spoints in points yesterday, following ther adjustment today.

If the downgrading the ahead,
the true Italy bonds deliverable in

London Interna-tional Financial Futures Exchange's Bcu bond futures will to from the contract specification

settlement description

only Triple-A bonds permit-

International bond market,

# suffers 10% fall in profits

By William Dawkins in Paris

PEUGEOT, France's largest car group which also includes Citroen, yesterday showed a greater resilience to recession its competitors by announcing 10.1 per cent in profits I year.

Net earnings fell from FFr10.3bn in FFr9.2bn (\$1.64bn) last year, marking and live years of growth.

end of five years of growth. Turnover rose by 4.6 cent from FFr152.9bn to FFr159.9bn over the period, while net profit margins shrank slightly from 1.7 per Fall in 1.1 per cent. The results show a much

smaller decline and wider mar-gins than Renault, the group's state-owned rival, which recently reported an 87 per cent drop in profits. The sharp fall reflects Renault's higher borrowings and greater exposure in the

depressed truck market. However, Mr Jacques Caivet, Pengeot's chairman, said wit group had several targets n a "stormy" year. He confessed pessimism were the advance Japanese competition and the general outlook for the European market.

"European markets, which www in general on a gently climslope in the first four or months of 1990, then went into a moderate slowdown which expected before the Gulf crisis... The end of the year was characterised by a steep drop in registrations, mile bly in margina and December,"

European car demand by 4.2 per cent in the first quarter of this year, against the same period of 1990. This was heading an overall average decline of per cent for the full year, Mr per cent for the full year, Mr
Calvet Peugeot's
European Peugeot's
slightly to Uper cent, fraction below its II per cent target.
Production roughly
unchanged at 2.2m 1.4m Peugeot and 812.000
Citroën - white sales fell
slightly from In
1980 I 2.19m last Peregra

1989 2.19m last rese. Foreign more than 58 per cent of volume. Peugeot's break-even point. meanwhile, me from annual of 1.12m vehicles to 1.5m.

reflecting pressure on and irregular production flows.
Productivity rose by a per mai again target, Mr Cai-Group debts runs from FFr1.9bn to FFr6.3bn last year,

representing 17.6 unplan-ned mainly by a build-up of stocks in Moreover,

O THE FINANCIAL TIMES LIMITED 1991

to a greater use of mancing from
external sources, the agency said.
The review will take two months.
If Italy is downgraded, any Italian company with a Triple-A rating will also be downgraded.
Moody's has placed the debt rating of state-controlled Cariplo,
IMI Crediop units review
also.

also. It has the that Italy's full by he

# They're smiling all the way to the bank



THE HUARD of the European Development use for the first

writes Stephen Fidler in London. The board - comprising 23 executive directors and Mr Jacques And the bank's president (in foreground) – is meant to play a

operations of the bank, owned by 39 governments and two Euro-

lending miles of the European bank - the first multilateral strong role in guiding the institution to political as well economic conditions

# Nedlloyd plunges into Fl 148m loss

By Ronald van de Krol III Amsterdam

will maintain the restriction that no shareholder may own more than 2 per cent of the capital.

In abolishing the traditional Swiss rule that prevents foreigners owning registered shares, Sandoz is following the lead set by Nestle in 1988. Some other industrial companies, including Ciba-Geigy, the big chemical group, have already done so.

Mr Serge Ledermann, head of group, posted a new last he 1990 of F1 148.2m (\$78.4m), down sharply from a new profit of forecast of Pi 125m to

group, have already done so.
Mr Serge Ledermann, head of
Swiss research at Lombard,
Odier, the Geneva bank, welcomed the trend. "It should help
to raise the capitalisation of the
Swiss market." he said. But he
pointed out that the banking and
insurance sectors had not made The mainly to a severe down was due mainly to a severe down in ocean-going shipping as well as a more modest decline in land transport.

Mr Mank Rootliep, many's chairman, said these two sectors, and form the core of the Nedlloyd many fell into the

red last year and were expected to make losses again this year, though results in both areas should improve.

Last year's losses would have been higher if it had not been for profits of F1 110m on the sale of fine of the sale of the s

fixed assets. On the other hand, Nedlloyd also recorded an extraordinary charge in in 1990 against extraordinary gains of Tiblam in 1989.

Nedlloyd has come under pressure a leading shareholder, Mr Torstein Hagen, the Norwegian investor, to speed up the sale of non-core businesses. Mr

management would not be rushed into divestments. Shipping, which is in the middle of a ping, which is in the middle of a restructuring, was hit by declines in both the and freight rates in significant trade routes. Operating profit into 1 loss if F178m from profit 111.3m.

In in transport, Nedlioyd was partly by restructuring Union Transport, a big German road haulier acquired in 1989 costs

acquired 1989. The costs, together with higher fuel prices, helped push operating results

of F153m.

The energy operating results in to F133.8m from F17.7m, helped by higher oil prices. The seeking buyer for all pert of its oil and

exploration operations.

Mr Rootliep declined III make a prediction for 1991 dividend payments resumed this year. in dollar would favourably influence 1991 results if the US presents maintained the

#### **Texas Instruments** reverses into red

By Louise Kalos in Im Francisco

THE AT Instruments, the I'm enterphrite and electronics manufacturer, reported heavy limit to fire quarter of 1991, reflecting a slump in semithe first compared of in in

period vear ago.

were 77 cents,
compared with earnings of 5 share in previous

not be split, although their nominal value will be changed to bring them into line with the new shares. Holders can subscribe SFr1,100 to receive one new certificate for every 20 old Operating losses rose from \$2m in the limit quarter II 1990 to In 1990 Sandoz made a net profit of SF1967m on turnover of SF12.4bn. About half of its sales \$35m in the first three months of 1991. The Instruments' is in pharmacenticals, and Sandoz is the world's 10th-largwere up seven per cent to \$1.65bg. Higher III specialised

est drug company.
Until recently, Sandoz has had
the reputation of being a highly semiconductor products other than memory chips, we bigsecretive company, even by Swiss standards. But it is gradually shedding this image under the influence of group W gest factor in www.growth. Texas Instrument and experienced double-digit growth in semiconductor products in 1990. younger executives such as Mr Bischoff and Dr Max Link, head

"During us semiconduche martil environment. Texas instruments in a counter-cyclically in capital and in research and development, to be in a bet-ter position for the market upturn," said Mr Junkins. Capital spending reached

cut to about \$575m this year, he said. "We are beginning to see signs of recovery in the semiconductor market, and expect [it] will grow about 13 per cent in 1991," Mr Junkins added.

Texas Instruments earned \$76m in royalty revenues during the first quarter from companies which have licensed its semiconductor technology.

Profit margins in defence elec-tronics fell slightly, while losses increased in Texas Instruments' computer operations.

# UK hotel group hit by Gulf war

By David Churchill, Leisure Industries Correspondent, in London

TRUSTHOUSE . Britain's biggest hit by the Gulf war and UK recession with pre-tax profits falling 27 per cent, from £260m to £190m (\$337m), for the financial year ended 31 January 1991. This was on a sales increase of just 7 per

cent to £2.64bn.
THF has reacted to the downturn in trade by cutting more than 1,000 administrative jobs out of a total workforce of 100,000 over the past year as well as pruning other costs.

sion had been anticipated and the shares closed 4p down at 268p.

Although the results were at the bottom end of City forecasts, the impact of the war and recestrading in the first half of the financial year had held up well, but had fallen away in the second

THF's plans to create a new hrand structure next month for its UK hotels which is likely to include a change of corporate

name to Forte, dropping the Trusthouse part of the name used Mr Rocco Forte, THF's chief executive, yesterday declined to confirm or deny the impending name change. Analysts believe the switch to the Forte name is needed to create a stronger over eas image for the hotel group. Mr Forte said yesterday that

half. In December and January

alone profits fell by more than £12m.

After a low point of 35 per cent occupancy levels reached during the war in January, THF's botel occupancy has risen significantly since then. London hotels now have an average occupancy level of 65 to 70 per cent - about the level expected for this time of the year - although provincial hotels are still running at a level

to 188 per cent. which include the Harvester and Kentucky Fried Chicken chains, produced trading profits 3 per cent higher to 275m on sales 8 per cent up at 2518m. Lex, Page 22 These Securities having limit sold, this are seen as a security of record only.

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Goldman Sachs International Limited IBJ International Limited

Morgan Stanley International Salomon Brothers International Limited **UBS Phillips Drew Securities Limited** 

Wood Gundy Inc.

MION

#### INTERNATIONAL COMPANIES AND FINANCE

BASF cuts dividend after

45% decline in income

CREDIT Agricole and Banque Nationale de Paris (BNP), France's two largest banks, yesterday reported sharp increases in provisions for bad debts last year.

Credit Agricole, the co-opera-tive farmers' bank which leads the French industry, yesterday unveiled a 3.9 per cent rise in annual net profits to FFr4.7bn (\$839m) after a 25 per cent rise in provisions to FFr11.9bn. Net profits at state-owned

BNP, by contrast, plunged. They more than halved to FFr1.6bn, after a 6.3 per cent rise in provisions to FFr7bn, qualified by Mr René Thomas, the chairman, as a "disappoint-

BNP's operating profits fell by 14 per from FFr11.2bn in FFr9.6bn last year, mainly dragged down by the mainstream French banking activities, while overseas operations held their earnings

Telecoms groups

Swedish network

KINNEVIK, the Swedish

communications group, and Cable & Wireless of the UK

will start a private telecommu-

nications network to compete against Sweden's national

agency, Televerket.

The network, Tele2, will be simed initially at busi-

Kinnevik last year sold 40 per cent of Tele2's predecessor Comvik Skyport to Cable & Wireless for SKr100m

(\$16.5m).
Tele2, which will start this autumn, has signed a 25-year agreement to use fibre optical cable networks that have been

laid alongside Sweden's main railway lines.
But Tele2's access to house-holds has been blocked since it has to rent use of the system operated by Televerket, which

is demanding a prohibitively high fee, according to Mr David Johannesson, Kinnevik

president.
Tele2 hopes for annual revenues of SKribn by the year 2000, which would still make

it much smaller than Telever

ket, which had sales of

plan private

By John Burton

It attributed the drop to a movement of customers savings away from bank deposits towards investment funds, higher bad debts for both private and corporate borrowers and interest payment delays on sovereign loans.

Lending rose by 14.4 per cent, while deposits and funds

under management rose by 15.4 per cent to FFr556bn. A strike at the start of the year cost BNP FFr600m, on top of which came the FFr1bn cost of winding up the Banque Internationale de l'Afrique Occidentale, which BNP placed in liquidation in June. BNP also had make a FF1773m sovereign risk provision on la loan book of Banque Arabe et

Internationale d'Investissement, (BAII) after taking control of BAII last May.

However, shareholders' funds increased sharply during the Tail by FFri2.5bn to FFr41.3bn, thanks to capital

BASF, one of Germany's big three chemical companies, will pay a lower dividend after a

steep drop in profits last year, writes Andrew Fisher in Frankfurt.

Shareholders will mally

DM13 share compared with the previous year's DM14, which included a DM1 bonus in mark its 125th anniversary.

For 1988 the group paid DM12. Some analysts had expected a cut to DM11 a share in view

of the poor result.

However, the dollar's slight recovery and lower of have improved the outlook for 1991. The group said net

SWISS BANK Corporation yesterday said that its earnings

in the first quarter had "improved substantially" but

did not provide profit figures, AP-DJ reports from Zurich. "The international stock

market rally gave a strong boost to securities income, but most other business lines also

performed well," the bank said.
"Cash flow before taxes was

significantly above the previ-

shareholdings in Péchiney, the state controlled aluminium group and UAP, the state

Agricole rose by 13.8 per cent to FFr77.7bn, making it the world's third largest bank. Operating profits rose at the same time by 4.1 per cent, to FFr17.9bn from FFr17.2bn, proof of vitality in a difficult market, maintained Mr Philippe Jaffré, managing director of Caisse Nationale de Crédit Agricole, the bank's central

organisation.
Total loans outstanding rose
by 12 per cent to FFr937bn
from FFr837bn. The bank made FFr174bn of

new loans last year, of which FFr32.4bn went to farmers, FFr81.9bn for house purchases and FFr17.4bn to corporate cus-

Deposits, meanwhile, rose by 14.6 per cent to FFr885bn, from

totalled DM1.1bn

in 1990,

It has already announced a

87 per cent slide in pre-tax for 1990, with the

fourth-quarter figure plummeting by 64 per cent.

Like the other German chemical BASF has

weakness, the recession in the

higher raw material prices. BASF said rising labour and

environmental costs. especially in Germany, had also depressed the final quarter's result.

ever, was particularly low."

of the dollar".

Total assets climbed by SFr12bm (\$8.45bm) in the first

quarter from SFr178.5bn at the end of 1990. It added that more than SFr5bn of this growth "represented the higher value

In addition to a strong rise in

income from securities trading, net interest income increased

8.6 per cent in the first quarter

compared with the year-earlier

increases and acquisitions of FFr772bn, reflecting a 1.5 percentage point increase in the bank's share of the market for new savings in France, to 13.5 ver cent.

Berliner Bank lifted earnings 15.7 per cent to DM43.4m (\$26m) last year and returned an unchanged divided of 10 per cent, writes Leslie Colett in

The bank, which since mid-1990 has expanded strongly in east Germany, expects improved results this year, said Mr Wolfgang Steinriede, spokesman of the board.

Part of earnings last year came from "reserves" built up over the years in a bank sub-sidiary. Berliner Bank aims to complete its takeover later this year of Berliner Stadtbank in east Berlin which brought it 38,000 of its 90,000 clients in the

New deposits of DM3.4bn came from east Germany where the bank has 21 outlets.

#### Blue Circle hit by drop in UK construction

By Andrew Taylor

BLUE CIRCLE, the world's third-biggest cement manufac-turer, saw pre-tax profits of tumble by 16.6 per cent last year to £195m (\$364m)from £231.8m.

The fall was almost entirely due to the collapse of the UK construction market where cement sales last year fell about 12 per cent.

about 12 per cent.

Mr Jim McColgan, Blue Crcle's chief executive, warned
that group profits were likely
in fall further this year with
UK cement sales forecast to decline another 12 per cent.

decline another 12 per cent.
Rises of between 6 per cent to 7.5 per cent in UK cement prices had been applied to all customers since March 1 and so far had stuck, he said.
Cement profits in the UK last year fell 38.5 per cent to 268.1m. By contrast, profits for cement, aggregate and ready-mix concrete in the US, Blue Circle's second largest market, remained virtually static at £18.4m, despite a fall of a fifth in sales to £254.1m.
A final dividend of 7.5p is proposed, lifting the total for the year to 11.25p from 11p.
Lex, Page 22.

# French banks lift bad debt provision | Share swappers at halfway house

Katharine Campbell and William Dawkins look at tentative link-ups

he possibility of a share swap between Credit Lyonnais, the French state-controlled high street bank, and Commerzbank, Germany's third largest bank, was first mooted by Mr Walter Seipp, chief executive of the German bank in 1987.

However, the attempt to reinforce links was put on ice when the French socialists returned to power in 1988. With the climate now changed, Credit Lyonnais, he hopes, will take a roughly 10 per cent stake in Commerz-hank, with the Germans buy-ing some 7 per cent of the sig-nificantly larger French entity. nincanty larger French entity.

But Mr Seipp must worry that with his agreement dotted and crossed, awaiting only its coveted official seal, the French government may in fact give priority to a larger, if apparently less advanced, deal.

This

This It arrangement between BNP, the largest state-controlled bank and Dresdner, Germany's second financial institution.

The two have been working

together under an agreement formalised in 1989 by appoint-ing a director to each others' supervisory boards. Now, a share exchange, of perhaps 7 per cent each way, is in pros-

deals come to fruition

But why - assuming both Meanwhile, Barclays Bank cross-shareholding in the first snapped up the private bank

candidate in France.

to which the German house

Walter Seipp: mooted idea of

Merck Finck in Germany last year, merely demonstrating in the process how rare such opportunities are - with full service banks essentially not for sale in the closely-knit and soundly solid domestic market.

Hence the share time, as Management Lewis, banking analyst at Salomon in London points out, "a cross-sharehold-ing se does nothing for the desempment of business". With most analysts regarding all parties relatively immune from predatory advances. hence primarily defensive rationale, the search is on for concrete advantages.

There has been a degree of

hasic co-operation aiready.
Most recently, Crédit Lyonnais
and Commerzbank, whose
association goes back 20 years,
combined forces in the UK place? Is merely the strategy of those who cannot, or cannot afford to buy? Certainly Deutsche Bank, Germany's biggest bank that bought aggressively in other parts of Europe and has loudly shunned the halfway with Commerzbank providing a German desk in CL Securi-ties. BNP and Dresdner, mean-while, last year up wen-ture in Hungary, with plans house of share swaps, has so far failed to find an eligible too in Prague.
All the banks are coy as to specific plans for togetherness in the future.

Dresdner Bank has secured control of the Paris bond and However, one obvious plus would be the capital boost. Crédit Lyonnais for example desiration specialist Burnellinternationale de Placement, has expanded fast recently.

As regards sharing the retail but it is not the size of venture branch network, it is difficult to see large dividends. Com-merzbank. which has

merzbank.

exchanged shares with another Europartner, Banco Hispano Americano, is able to arrange useful facilities for German tourists in Spain. But the Franco-German fit is not so neat. The main advantages will therefore accrue from commen-cial business though sounds interested in the

reach of possible links BNP extending thorough Asia and North America. Both groupings cite Surope - where the Germans see a political in a partner helping staunch any nascent imperialism charges. Sharing the risks as well as the rewards could in the early

different styles partners grate somely its expansion. Later both German banks will also have to decide how they react to the possibly inconvenient wishes of their partners princi-

Meanwhile, should the French government drag in both German banks feel now, both German banks the emergent east German market is boosting their savings base and bence future profits far faster than could the fruits of French partnerships, at least for the forescendie

#### Boddington makes hostile | Slough Estates in £138m £127.7m bid for brewer

By Philip Rewstorne in London

BODDINGTON, the UK pubs, hotels and health care group, yesterday launched a £127.7m (\$238m) hostile takeover bid for J.A. Devenish, the brewer, simed at merging the two busi-nesses into a powerful inde-pendent force in drinks retail-

ing". Boddington would add another 400 pubs to its present 490, giv-ing it increased buying power and a strong base for further expansion. Pub retailing con-tributes more than 80 per of the trading profits of each of the creating profits of each of

Devenish, which last week sold its 4 per cent stake in Boddington, bluntly rejected the offer as "unwelcome

#### cash call to cut gearing By Vanessa Houlder in Linde wholly inadequate"

SLOUGH Estates, II. UK's biggest industrial property company, yesterday annou-nced a rights issue to raise Boddington is offering III new ordinary shares for seven Devenish shares, valuing each the latter about III £137.7m (\$257m) aimed at repairing the damage inflicted on its balance sheet by the There is a full cash discustion of per Devenish share, well as convertible offer. there fall in property values.

The announcement

141m convertible preference
shares would be issued at 100p Boddington had been accepted by Mr T. J. Hedderson, a Devenish director, and his family, for

seach send the shares 9p higher to 283p. The shares 9p higher to 2 their 3.3 per call holding. Devenish shares ared in London yesterday at 232p, up 12p. Boddington's shares fall ep, to 157p.
Devenish, which reported £825m to £687m, cutting its a near-20 per cent fall in pre-tax profits to £11.26m last year,

gearing from 76 per cent to 56 per cent.
Mr Joseph Hard: admin-irative director, said that

although the company did not envisage any short-term prob-lems with its gearing, it might have risked breaching bank guarantees if the steep fall in property values continued. Bather than be forced to raise money from its shoulders, the company preferred to

the company preferred to choose its timing, he said. In addition, the company said that the rights issue would allow it to take advan-tage of the depressed market

and acquire properties on attractive terms. Nothing was planned at present.

The rights issue has been underwritten by SG Warbay and the brokers are SG War-hurg Securities. burg Securities.

April, 1991

SBC 'substantially' ahead

18th April. 1991

# TOKYO DOME CORPORATION

U.S.\$350,000,000

4 per cent. Notes 1995

Warrants

to subscribe for shares of common stock of Tokyo Dome Corporation Issue Price 100 per cent.

Yamaichi International (Europe) Limited

DKB International

Fuji International Finance PLC

Credit Suisse First Boston Limited

BHF-BANK

Kankaku (Europe) Limited Sanwa International pic

Commerzbank Aktiengesellschaft Daiwa Europe Limited The Nikko Securities Co., (Europe) Ltd.

Paribas Capital Markets Group Toyo Trust International Limited Banque Indosuez

Bayerische Vereinsbank Aktiengesellschaft Daito Securities Europe Limited

Deutsche Bank Capital Marie Limited Goldman Sachs International Limited KOKUSAI Europe Limited

Merrill Lynch International Limited Taiyo Kobe International Limited

Taiheiyo Europe Limited Tokai International Limited Towa International Limited

Mitsui Trust International Limited Nomura International J. Henry Schroder Wagg & Co. Limited Bank of Tokyo Capital Markets Group Baring Brothers & Co., Limited Chuo Europe Limited Daiwa Bank (Capital Management) Limited Robert Fleming & Co. Limited Kleinwort Benson Limited Lehman Brothers International Mitsubishi Finance International plc

Swiss Bank Corporation Takugin Finance International Limited Tokyo Securities Co. (Europe) Ltd. Universal (U.K.) Ltd.

S.G. Warburg Securities

has since restructured.

This announcement appears me matter of record only

**Nordic Investment Bank** 

Lit. 150,000,000,000 12.375 per cent. Notes due 1996

Issue Price 101.70 per cent.

#### Istituto Bancario San Paolo di Torino

Banca Commerciale Italiana Banca Nazionale del Lavoro Banco di Roma Crédit Lyonnais IMI Bank (Lux) S.A. Salomon Brothers International Limited

UBS Phillips In Drew Securities Limited Unibank

Banca Euromobiliare Banco di Napoli Caisse des Dépôts et Consignations Credito Italiano Morgan Stanley International Swiss Bank Corporation Westdeutsche Landesbank

Bank Brussel Lambert N.V. Banque Générale du Luxembourg S.A. Compagnie Monégasque 📥 Banque Credit Suisse First Boston Italia S.p.A. Generale Bank Kredietbank International Group Monte dei Paschi di Siena NatWest Capital Markets Limited Rasfin

Banca d'America e d'Italia (Deutsche Bank Group)

Banco Bilbao Vizcaya, S.A. Trust International Limited Cassa di Risparmio delle Provincie Lombarde Crédit Commercial de France Den Danske Bank Italian International Bank plc Samuel Montagu & Co. Limited J.P. Morgan Securities Ltd.

Nomura International Swiss Cantobank Securities Limited

# house

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ad als ittalers **art S**e

# ative link-up

RIDAY APRIL 19 19

Anglo **American** to shed 12,500 jobs

By Philip Gawith in Johannesburg

ANGLO American, South Africa's mining house and the world's largest gold producer, yesterday, announced that 12,500 jobs would be lost at its mines as a result of the depressed state of the industry.

the industry.
Freegold, the world's larges mine, is to cut its 100,000 labour complement by 8,000 and Vaal Reefs will cut 4,500 jobs from a current total of

jobs from a current total of 49,600. Last year Freegold amounced 7.800 job losses.

The rationalisation at both mines stems from the need to curtail uneconomic activities. Neither mines expect gold production levels to be affected as they will be focusing on higher grades in the balance of their operations.

Amouncing the March quarterly gold mining results, Mr Clem Sunter, chairman of the gold and uranium division.

gold and uranium division, said: "We had to take some very tough decisions... We hope that by so doing we will enable the division to weather whatever further hard times force no."

face us."

Mr Lionel Hewitt, executive director, described Freegold's performance, which saw after-tax profit rise from R102.5m to R134.6m (349.5m), as "extremely pleasing". Explainting the rationalisation, however, moted mine had posted a 53 per cent decrease, from R346m to R167.4m, in available profit in the year to March.

R167.4m, in available profit in the year to March.

He also pointed out that the north section of the mine had made a R10m loss in the quarter, after capital expenditure.

Vaal Reefs suffered the effects of a slow recovery from the Christmas period to record lower gold production. Combined with higher costs, this saw profits from gold fall by 29.5 per cent to R124.4m.

Mr Hewitt said unexpectedly good grades in the south of the Western Deep Levels mine saw gold production rise 2.6 per cent in the quarter. A R9.5m jump in tax, however, left after-tax profits lower at R83.1m, against R88.4m.

Revitalising the gold industry. Page 34

#### Westinghouse revives link-up

By Stefan Wagetyl in Tokyo

IN ANOTHER sign of the ischnological advance of Japanese industry, Mitsubishi Ricciric, a leading Japanese electronics group, and Westinghouse of the US have revised a 70 year-old cross-licensing agreement.

licensing agreement.

Under the old arrangement,
Westinghouse passed to Mitsubishi information about a very bishi information about a very wide range of its products, including turbines, electrical motors and consumer appliances, for which Mitsubisht paid Y500m (US\$3.7m) a year in royalties. "Westinghouse was our teacher," said Mitsubishi Electric yesterday.

The new agreement casts the two companies as equal partners.

Final maturity of the

33/4% DM bond issue

61/4% US-\$ and

Luxembourg

warrants attached to the

of 1983/1991 of Deutsche

(formerly: Deutsche Bank

Pursuant In the Conditions of

from the warrants attached to the

through June 18, 1991. After that

valid. Pursuant In the Conditions

through any receiving agent, file

above bonds may still mexercised

date the warrants will me longer be

Warrants the subscription right

Compagnie Financière

Luxembourg S.A.)

Bank Luxembourg S.A.,

#### INTERNATIONAL COMPANIES AND FINANCE

# Japanese retailers feel the pinch after early spree

the leading

store chains

Large-scale retail stores sales

increase, with a pre-tax profit of Y32hn, up 3.7 per cent. This reflects concern in the industry that the lower than expected

Japanese wage gains announced after the annual spring bargaining ritual will depress consumption this

Selyu, another leading super-market operator and member of the Seibu Salson group.

reported a 4.4 per cent increase in sales to 1,048bn, and a 10.3 per cent increase in pre-tax profit at Y10.3bn. For the cur-

rent year the company expects sales of YI,100hn, and a pre-tax

profit of Y15.5bn.
FamilyMart, a convenience store chain that is also a Seibu

Saison group member, reported a 26.1 per cent increase in pre-tax profit to Y13.71 on a 32.2 per cent increase in sales to

The company said that a

% change on previous year

apanese retailers' earnings last year showed the bene-tits of a consumer spending spree that began last spring but was tempered by the onset of the Gulf crisis and by more general fears

Intense competition among supermarkets and convenience chains, many of which have ambitious expansion plans, has cut margins for some operators, and while results announced this week are generally favourable, profit growth is expected to be slower in the corrent year.

is expected to be slower in the current year.

Ito-Yokado, the Japanese supermarket operator, reported an 11.4 per cent increase in pre-tax profit to Y88.8bn (865im) for the year ended February 1991 as consumer demand, particularly foodstuffs, pushed higher.

foodstuffs, pushed higher.

The company, which has just taken control of the financially troubled Southland Corporation of the US, reported that total sales rose 7.7 per cent to Y1.355hn, with an 11.6 per cent sales increase in foodstuffs, 6.6 per cent in women's clothing, and 3.3 per cent in household-related goods.

Southland Corporation runs the Seven-Eleven convenience

the Seven-Eleven convenience store chain in the US, while Seven-Eleven Japan is a member of the Ito-Yokado group and reported a 26.2 per cent increase in pre-tax profit to Y66.97m.

The Japanese convenience store chain, which plans to increase its network by 320 stores to 4.648, is expecting a pre-tax profit this year of Y75.7bn.

Ito-Yokado, which has the best recent earnings record among the supermarket operators, expects that a slowdown in the domestic economy will hinder sales growth. However, company amounced that capital spending would be increased by 62.7 per cent this year to Y76bn, with most of the money december of eristing outlets.

Sales this year are expected to be Y1.432bn, a 5.7 per cent

new point-of-sale stock mont-toring system had led to a 0.3 per cent improvement in the Robert Thomson ratio of gross profit to examines the

trends behind this week's results from

Shuwa owns 17.6 per cent, said earnings were also affected by an unusually warm winter that reduced demand for warm

for claimed restricting the industry, though the company's stock and property excesses have forced it to use several of the holdings as collapsed on loans from from another supermarket operator, Daiei

hujitsuya, in which Shuwa has a 34 per cent which that Daiei in apparently to purchase, of a profits fell of a heavier interest payment burden and despite per cent increase in sales to

sales.

For the year ending February 1992, FamilyMart expects a pre-tax profit of Y16.8hm on sales of Y72.7hm.

Two retailers with large shareholdings held by the predatory and now financially-troubled Shuwa Corporation yesterday reported sharp falls in pre-tax profit. Nagasakiya reported a 45.8 per cent decrease to Y3.98bm, while Chujitsuya announced a 16.9 per cent fall to Y5.59bm.

Nagasakiya's sales rose 0.7 per cent to Y409.2hm, but the company's profits suffered because of a large fire at a store in western Japan, which reduced gross profit by Y1.4bm and also prompted a Y600m

reduced demand for warm clothing, by advertising in the of the This the expects a slight in pre-tax profit

The supermarket chain operate expects sales to reach Y828.6bn in the year to end February, and that pre-tax profit will virtually unchanged

#### **Renouf Properties is** placed in liquidation

By Terry Half in Wellington

Properties have placed it in liquidation after efforts to restricture its debts failed. The company is a subsidiary of Renoul Corporation, the merchant bank.

merchant bank.

Mr Andrew Strange, Renowl Properties' chairman, said no agreement could be reached with bankers on a scheme of agreement to allow the company to meet ongoing obligations. He said Coopers & Lybrand had been appointed provisional liquidator.

In Kehrnary, the commany

In February, the company reported a NZ\$49m (US\$29m) loss for the six months to December, and said its future was dependent on the outcome of negotiations with the banks. It had been unable to pay mortgage obligations since late in 1990 and had failed to find a

Deutsche Bank AG

a written notice with the warrant agent, the Deutsche Bank Aktien-

gesellschaft, Frankfurt Central

receiving agents. The notice III

exercise the subscription right is

binding. At the time the notice is

filed the subscription price must be

paid and the warrant together with

presented. The notice to exercise

effective only if the Deutsche Bank

Aktiengesellschaft, Frankfurt

price and the warrant by Tuesday.

June 18, 1991, at the latest. For legal

notices to exercise the sub-

scription right which are not received

by the Deutsche Bank Aktiengeself-

schaft before expiration of me dead-

in line with standard practice on

the stock exchanges the warrants

will be traded and officially will be

the German stock exchanges for the

The Board of Managing Directors

line cannot be accepted.

last time un June 11, 1991.

Main, receives the subscription

the uncalled receipt F have

the subscription right becomes

Office. The required notification

form is available from any of these

ties.
Mr Strange said a provisional liquidator had been appointed since the company had no debenture holders who

could infine a receivership.

The banks held notice that the secured against individual properties and matter for the banks and the liquidator.

At December 31, Remonf Properties had borrowings of NZS7m, equal to 59.7 per cent of total assets. The last published balance sheet valued the company's properties at NZS12m.

Mr Strange said the liquida-tion should be seen in the con-text of the problems which had beset the property sector the 1987 share market trans

#### Comalco to step up cutbacks at smelter

By Mark Westfield Sydney

STRUGGEROUS to materials aluminium prices, Australia's Comalco has increased ings and cuthacks at its huge Boyne Island smelter on the central Queensland coast.

Comalco also has deferred a A\$1bm (\$780m) expansion of its plant following the stalling in negotiations with the state government over the purchase of the nearby Gladstone power station which supplies power to the amelter.

A subsidiary of resource group CRA, Comalco's net profit fell 33 per cent to A\$181m for 1990 and the com-pany expects a further detailo-ration in earnings this

Comalco partly blames the recession in Australia for the downturn, but the interna-tional aluminium price fall over the last three years has taken the biggest toll on earn-

#### Taiwan to sell stake in chemical group

TAIWAN plans to sell a 20 per cent stake in government-owned China Petrochemical Development Corp (CPDC) to the public next month as part of its drive to privatise state

firms, Reuter reports from Tailei.
The Commission of National Corporations said the government planned to sell 184.75m shares in the company at T315 each to raise T\$2.77bn

NEFTUNE MARITIME FUND, Shin stered Office; Laxando 146 Bd de la Pétrane

To the SimpleMent of NEPTUNE MARITIME FUND You are heathy converted to attend the ORDINARY GENERAL MEETING

of Neptune Markims Pand, which is going to be hald on May 3rd 1991 at 15.00 hours at the Head Office, 146, Ed de la Pérsone in Literatione, with the

ets of the Bound of Disse

Reports of the Bo and the Andreas

coral of the Halesen Stoat and the Profit and Lone at December 31st 1990

Discharge to the Di Summy elections

Your fallsfully,

The Found of Directors

18th April, 1991



# **ASAHI DENKA KOGYO K. K.**

U.S. \$100,000,000

Warrants

4 per cent. Guaranteed Notes 1995

to subscribe for shares of common stock of Asahi Denka Kogyo K.K. The Notes will be unconditionally and irrevocably guaranteed by

The Dai-Ichi Kangyo Bank, Limited

issue Price 100 per cent.

International (Europe) Limited

DKB international

LTCB International Limited

Swiss Bank Corporation

Barclays de Zoete Wedd Limited

Credit Lyonnais Securities

Goldman Sachs International Limited

The Lucky Securities Co., Ltd.

Paribas Capital Markets Group Tokyo Securities Co. (Europe) Limited The Nikko Securities Co., (Europe) Ltd.

Norinchukin International Limited

Banque Bruxelles Lambert S.A.

Chuo Trust International Limited Deutsche Bank Capital Markets Limited

Kankaku (Europe) Limited

Merrill Lynch International Limited

Taiheiyo Europe Limited

S.G. Warburg Securities

#### ESKOM 1990 RESULTS

Eskom supplies were than WM of the electricity consumed in the Republic of Africa. It also exports electricity to Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe.

Eskom is committed to being an efficient and allower organisation, so as to be able to make electricity available to all in South Africa what want it and can afford it, and to supporting a regional transmission grid to encourage co-operation and accelerate economic growth in the

In R million	1990	1989
Electricity revenue	10 736	9 271
Net income	845	728
Accumulated reserves at end of year	9 600	8 755
Other reserves	331	302
Loans	25 883	24 630
Interest free liabilities	2 987	2 405
Total assets	38 801	36 092
Electricity sales (GWh)	136 168	134 347
Installed capacity (MW)	35 673	34 141

At 31 December 1990 III - 153 0.3914

Sales growth in 1991 was 1,4%. Average annual growth over the last # years was 3,9%.

DR. JOHN MAREE

CHAIRMAN OF THE ELECTRICITY COUNCIL

The Annual Report for 1990 can be obtained from the Communication Manager, P.O. Box 1091, Johannesburg DMD Republic of South Africa.



**ELECTRICITY FOR DEVELOPMENT** 

U.S. \$200,000,000



Compagnie Financière de Cradin Industriel - Commercial **Floating Rate Notes Due 1997** 

Notice is hereby given that the interest psychia on the relevant betweet Poyment Dum, May 15, 1991 for the period November 15, 1990 to May 15, 1991 against Coupon No. 12 in respect of US\$50,000 nominal of the Notes will be US\$1,806.24.

April 19, 1991, London By: Citibank, N.A. (CSSI Dept.), Agent Bank



000,000,083

Nationwide Anglia Building Society (Incorporated in England smaler III Building Societies Act 1986) Subordinated Floating Rate Notes due July 1998 For three months 17th April, 1991 17th July, 1991 the Nores will carry an interest rate of per annum with a coupun of 311.64 per GBP 10,000 Note, payable on 17th July, 1991.

Listed in the Luxembourg Stock Exchange. Bankers Irisi Company, London Bankers Trust

Agent Bank

200

The Asset Marie Milling A Same of the life

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The state of the leading of the lead

James Sapali

Compatibility

through May 27, 1991.

The subscription price is DM 321.33 per Deutsche Bank share of DM 50 par value. The shares are entitled to the full dividend for the current 1991 business year. To exercise the subscription right, Frankfurt am Main, April, 1991

of Warrants the subscription right ... in 1

may not me exercised from May 10

the bearer of the warrant must,

 $e^{i(\mathbf{v}^{\mathbf{s}})^{T'}}$ 

18.00

#### INTERNATIONAL COMPANIES AND FINANCE

# BankAmerica underlines strength of recovery

FIRST-QUARTER earnings of BankAmerica have confirmed that the San Francisco-based group which was almost on its knees four years now one of the strongest banks in

BankAmerica, the biggest West Coast bank, lifted ings slightly to \$282m, or \$1.24 a share, from \$278m, or \$1.23, a year earlier. Net interest income grew by 10 per cent to \$1.1bn. Fee and other non-interest income up 7 per cent, thanks to higher profits and commissions from securities and foreign exchange trad-

ing.
Although return on assets and on common equity fell by 8 and 13 per cent respectively in the first quarter, these ratios are still the highest for the big US banks.

BankAmerica also has one of

the strongest capital positions, with a ratio of common equity

to assets of 5.4 per cent. Total stood at \$111.9bn March 81, up from \$101.1bn a

Ironically, BankAmerica owes much of its good fortune to the difficulties of the mid-1980s. A radical restructuring has returned it to its California roots, while sharply cutting back staff and other overheads.

"They got their wake-up call early," says Mr Richard Freder-icks, banking analyst at Mont-gomery Securities in San Fran-BankAmerica's share price has almost six-fold

since the depths of the IIII Nonetheless, the group has not been immune from the recession and la property slump. Total non-accrual 🔳 🖬 \$3.1bn on March 💵 were virtually unchanged from months earlier, but the property and construction com-

**EUROPEAN FINANCE &** 

**INVESTMENT IN IRELAND** 

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FT SURVEYS

ponent jumped to \$740m from \$551m. The non-accrual portion of the bank's loans for highly-

of the bank's loans for nighty-leveraged deals jumped to \$257m from \$140m.

Net credit losses surged to \$447m in the first quarter from \$132m in the previous three months, and \$48m last time.

Excluding third world debt, the increase was due largely to a \$53m increase in write-offs of consumer loans, especially on credit cards, and to lower had

debt recoveries.

BankAmerica has expanded its operations in New Mexico and Arizona, partly through the acquisition of savings and loan assets from the Resolution Trust Corp. The group now has retail networks in eight west-

Despite the addition of 2,900 employees as a result of the first-quarter acquisitions, the total staff complement of 55,100 is virtually unchanged from a

# by slump in sales of

instant film By Bernard Simon

STJIMP in sales of instant film contributed to a near-halving in Polaroid's firstquarter earnings.

Net income slid to \$16.4m, or 13 cents a share, from \$31.8m, or 43 cents, a year earsalam, or 45 cents, a year ear-lier. Sales ruse fractionally to \$441.2m, with a 10 per cent rise in international shipments being largely offset by weak demand in the US. Operating profits, which fell by 24 per cent, were also hit by higher

marketing expenses.

The recession, as well as the slump in tourism earlier this year, contributed to the fall-off in film sales. Polarold said retailers were keeping low

On the other hand, there was a substantial — though unspecified — rise in shipments of cameras, conventional film and video-

tape.

The popularity of cameras was helped by an aggressive campaign to promote the company's One-Stop Flash cameras, which sell for under \$30 apiece. The company expects higher camera sales will be followed by stronger orders for instant film.

Polaroid cut its long-term debt by 14 per cent in the quarter to \$504.2m, and interest expense fell to \$15.8m from \$21.5m.

#### Smith Corona down sharply for quarter By Nikki Tait

SMITH Corona, the US typewriter manufacturer 48 per cent-owned by Hanson group of the UK, reported a sharp drop in third-quarter earnings. The company made \$3.8m after tax, compared with \$6.1m in the same period a

year ago.

This leaves net income for the first nine months of the financial year virtually halved at \$17.3m from \$34.4m

The group, badly hit over the past 18 months by falling demand and strong pricing pressures, suggested it was pleased. "The weak consumer spending environment as well as the ongoing product mix shift favouring lower-priced models continues to affect

sales and earnings," said Mr Lee Thompson, chairman. At the operating profit level, Smith Corona reported \$5.2m against \$11.1m, while sales slipped from \$110.6m to \$20.9m.

#### First Executive policyholders file suit

POLICYHOLDERS at First Executive, the ailing Los Angeles-based life insurer whose two main operating units have been seized by the insurance regulators, yesterday filed a suit in the Manhatter.

tan courts, writes Nikki Tait.
It alleges fraudulent activity, accuses First Executive's management of misleading policyholders, and claims that they did not disclose the speculative nature of the group's investments in "junk bonds". First Executive had an

abnormally high proportion of its portfolio in junk, and much of troubles stem from this.

A similar class action was filed in the Los Angeles courts

FNN tussle returns to bankruptcy court

# Polaroid hit Dow Chemical surprises Wall St-

By Karen Zagor in New York

LOWER costs for hydrocarbon and energy at the beginning of the year helped Dow Chemical, the second higgest US chemi-cals group, post better-than-ex-pected first-quarter earnings. The increase came despite prices pressure in March. For the three months to March 31, Dow's underlying

earnings per share fell 21.6 per cent to \$1.34 from \$1.71. With Wall Street expecting Dow to turn in earnings of about \$1 a share, the stock price added \$1% to \$52% on the New York Stock Exchange vesterday morning.

distorted by a \$213m, or

Dow's net income for the quarter rose 25 per cent to \$576m,

Sales were slightly higher at \$4.95hn, against \$4.9bn. Operating income, however, fell 12.5 per cent to \$785m from \$897m. Analysis warned that Dow's prospects for the second quar-ter remain bleak. Mr John Gar-cia, at Wertheim Schroder, expected Dow to post 90 cents a share in the next quarter, reflecting weakness in Europe and the price squeeze that started to be felt in March. Prices of polyethylene

79cents a share, gain from the initial public offering of Dow's Desice Energy business, and Dow's Energy business, and the second quarter, with relathe second quarter, with relatively stable demand. Lower ethylene costs partly offset the decline in the first quarter. Mr Frank Popoff, chief exec-

utive, said: "While many of our large-volume, hydrocarbon-based products were under price pressure by mid-February, the financial impact wasn't felt until March, which allowed margins to expand modestly early in the first

Although hydrocarbon and energy costs were up 12 per cent on last year's, they were 18 per cent below levels in the

final quarter of 1990.

Mr Popoll said hydrosarbon feedstocks were expected to stabilise by the end of the second quarter. The higher feed-stock costs during the Gulf war pushed up prices by 7 per cent. compared with 1990. Volume in the quarter fell 6 per cent while manufacturing costs

increased 9 per cent.
"The challenge of maintain ing margins in an environment of soft economies and weak industrial fundamentals typifies the current year," he said.
Looking ahead, Dow expects modestly improved results in 1992, provided the US economy nicks up

Manville

in asbestos

trust charge

MANVILLE, the Denver-based

industrial products group, has begun setting aside a portion of its profits to settle thou-

its previous involvement in the

Manville's first-quarter earn-ings include an \$8.1m pani-

sharing" charge earmarked for

the Manville Personal Injury Settlement Trust, one of two

igencies formed to handle the

sbestos poisoning claims. One of the conditions for

Manville's emergence from Chapter 11 bankruptcy in 1988 commitment to set aside

20 per cent of earnings for the

nds of claims by victims of

3. 19. 20. 20**. 19.** 1

Sec. 1241

#### Strong Digital result lifts shares

By Louise Kehoe in San Francisco

DIGITAL Equipment's share price rose sharply yesterday on news of strong third-quarter earnings as the company con-tinues to reduce its workforce and realign operations.

Digital reported net income

of \$116.6m, or 94 cents, for the quarter, up dramatically from \$24.9m or 20 cents in the third quarter last year. Revenues rose 8 per cent to \$3.52bn from The quarter's results reflect

the consolidation of earnings from Digital-Kienzle, a German computer company in which Digital acquired a 65 per cent interest from Mannesmann for \$230m last December. the Trenta consolidation, earnings | Were

in the that quarter results, Digital's share

By Barbara Durr in Chicago

LOW demand for cars and

appliances slashed first-quarter results at Inland Steel Indus-tries, the large Chicago-based steelmaker.

The company reported a

\$40m net loss, or \$1.50 per share, for the first quarter, against net income of \$18.7m,

or 37 cants, a year ago. The loss came on a 16 per cent decline in sales to \$832.7m from

\$992.5m a year ago. Mr Frank Luerssen, chair-

man and chief executive, said the market for their principal products - sheets and bar

l'extron net

almost flat

at \$66.4m

By Nikki Tait

price rose sharply to from Wednesday close of

For the first nine months in 1991 the company reported and of \$9.96bn, up 1 from \$9.58bn in the same period pear ago.

Net income for the nine months was down, however in \$253.9m from \$331.1m. Barnings per la com-pared with \$2.65 per share a

year ago.

"The difficult economic environment of the past quarters with us," If Mr. John Smith, senior vice-president

"The uncertain business outlook, which was heightened by the Middle East conflict,

is resulting in delays in cus-

Inland Steel hit by fall in demand

steels used in consumer dura-bles – was weak. Mr Luerssen, who was pessimistic about the

near-term prospects of recov-

ery, said he saw no indication of US economic rebound in

Quarterly shipments by the wholly-owned integrated steel subsidiary, inland Steel Com-

pany, were the lowest in 20 years. Shipments fell during the first three months by 19 per cent, to \$37,000 tons, while sales plummetted 20 per cent to \$437.9m.

tomers' in technology, particularly for large

We have good progress in our programme of low-ering expenses, consolidating our facilities and restructuring our workforce," added Mr During the quarter more

han 2,200 employees left Digital, he said. Worldwide service revenues from systems integration in other activities grew by 20 per cent during the quarter, said Mr Kenneth Olsen, Digital's presi-

have doubled since the period year, but high-end minicomputers were hit by economic conditions, the com-

personal injury trust. The payments will begin in 1992, but are based on the previous year's earnings. The other trust deals with property damage claims.

Despite the profit - sharing charge, Manville, whose business is now centred on paper are known products, buildand packaging products, build-ing materials, industrial fibre

Lower-priced product mixes, start-up costs for its new high-technology steel plant I/N Tek, scanning steel plant I/N Tek, in joint venture with Mippon Steel, and a 50-cents-per-hour rise in steel workers' wages all helped to push down inland's results. glass and minerals, lifted net income to \$35m, or 26 cents a share, in the first quarter, from 24.9m. or 18 cents, a year cer-The improvement was The company's service divi-sion of materials distribution entirely due, however, to receipt of about \$40m in centres reported a profit of \$5.9m, but this was down from \$8.8m a year ago. For all of last year, Inland suffered a net loss of \$20.6m, or

ment of a patent infringement lawsuit. Not sales slipped to 495.7m from \$518m, and operating income was down to \$41.6m from \$85.5m. The building products business was especially hard hit. The Manville personal injury

\$1.41 per share, its first full-year loss since 1985. trust was set up in 1988 with about \$2.5bn in assets. How-ever it ran out of cash early last year after settling claims more quickly than expected and finding itself deluged with applications for relief from

about 170,000 victims. The trust's immediate problems were relieved in Novem-ber with a refinancing agreement involving the trust converting Manville preferred shares into common stock, thereby entitling it to special dividends.

A new compensation system means that the most seriously ill asbestos victims now have priority in the settlement of their claims. A ceiling has also been placed on fees for claim-

ants' lawyers.

#### Canadian mines group up 19%

AMERICAN Barrick Resources, one of North Americal top three gold producers, benefited from strong tion growth Goldstrike mine in Nevada, writes Robert Gibbens in Montreal.

The group reported a 19 per

in earnings in the first quarter to US\$15.6m, or 11 cents a share, up from \$13.1m, or 10 cents, a year earlier. First-quarter revenues were \$73m, up from \$53m. Average price realised was \$428 an ounce. Production was 171,989 ozs, up from 131,111 ozs, including 110,249 ozs from Goldstriks,

against 70,123 ozs.

# respiratory products.

er's Shiley heart valve, analysts are bullish about its new product portfolio, which includes the cardiovascular drug, Procardia XL, and Diffu-

can for AIDS-related fungal

infections.

Mr Edmund Pratt, chairman and chief executive, said Procardia XL and Diffucan con-

tributed \$260m in sales in the quarter and Norvasc and Car-dura, two new cardiovascular

drugs, \$36m.

Schering Plough, THe New Jersey-based pharmaceuticals health care products

group, lifted first-quarter earnings to \$173.2m, or 79 cents a

share, from \$150.4m, 66 cents a share, a year earlier, writes Bernard Simon in New York.

Sales rose to \$949.3m from \$865.1m, despite the sale last July of the Maybelline cosmet-

Mr Robert Luciano, chair-

man, predicted that earnings per share would climb by between 18 and 20 per cent for

The company attributed the growth in US pharmaceutical sales to solid demand for its

anti-cancer, anti-infective and

MERCANTILE GROUP

Wa should like to apologise in customers of MERCANTILE CREDIT BARCLAYS MERCANTILE BUSINESS FINANCE and HIGHLAND FINANCE

for any inconvenience caused by the fire at our Head Office in Basingstoke on 16 April.

Until further notice incoming telephone calls for Mercantile Credit and Barclays Mercantile Business Finance are automatically being diverted through our Basingstoke switchboard to Mercantile Credit's valued customer centre in Manchester, while Highland Finance calls are being diverted ■ their central sales office in Elstree.

Staff at the branch offices of Mercantile Credit and Barclays Mercantile Business Finance will of course be happy to help customers with any enquiries until Head Office services have been re-established.



GROUP SHARE OF NET PROFITS UP 22 1 TO FF 732 M

NET EARNINGS PER SHARE UP 22 % **DIVIDEND UP 30 %** 

GROUPE SAINT **L** LOUIS

The Saint Louis Board of Directors has approved the annual accounts for 1990.

Saint continued its European development policy through its group profits earnings per share showed a notable increase. Consolidated -

FFm	1989	1990	% change
Turnover, excluding Arjomari	6,934	9,714	+ 9%
Total net profits	605	744	+ 24%
Group share of net profits	602		+ 22 %
Net earnings per share (FF)	104	100	+ 22 %
Dividend per share (FF)	23	30	+ 30 %

All three of group's continued to expand in IV

In sugar, Générale Sucrière once against posted profits. The major event of the year was the acquisition of a 21 % holding in the Sociedad General Azucarera de España (SGAE), the second largest Spanish sugar group, in association with Sucre Union, Tate & Lyle and ED & F Man.
 Euralim (ready meals and mushrooms) continued to grow strongly, especially in frozen foods. The main event in 1990 was the takeover of Frudess, the Spanish market leader in frozen foods, whose acquisition haters fruefacts to account of EE.

orings Euralim's tumover to around FF 5 bn. The group's paper division took on a new dimension in 1990. Through its merger with Wiggins Teape Appleton, Arjornari now forms part of the number one paper group in the EEC, with FF 25 bn turnover, cash flow of FF 2.5 bn and a very low level of borrowing. Saint Louis now controls 43 % of Arjornari.

At the Annual Committee Meeting of shareholders on 25th June 1991, the Board will dividend of FF 30 per ordinary share for 1990, compared to FF 23 for 1989. The gross dividend per share

# DSM (S

for the information of the Naamloze Vennootschap DSM incorporated in Heerien, Metherlands

Dividend 1000

Notice is hereby given to shareholders that a dividend for the year 1990 of NLG 8.00 per share of NLG 20.00 nominal will be paid as from 1st May, 1991 against presentation of coupon no. 4.

An interim dividend of NLG 2.65 per share of NLG 20.00 nominal has already been declared and was payable from 27st August, I

All dividends will be subject to deduction of withholding tax of 25%. Coupon no. 4 may be presented as from 1st May, 1991 at the office of the Company's Paying Agent in District County of the last of

> S.G. Warburg & Co, Ltd. Paying Agency, 1, Finsbury Avenue, London EC2M 2PA

from whom claim forms may be obtained. United Kingdom income Tax will be deducted at the rate of 10% unless claims

are accompanied by an affidavit. Withholding tax deducted in excess of 15% is recoverable by United Kingdom residents. The Company's United Kingdom Paying Agent will, upon request, provide the appropriate form for such recovery.

> Board of Management Heerien, April 17th, 1991

A US federal judge yesterday reversed a decision that had allowed General Electric's CNBC to buy the Financial News Network for \$115m, Reu-

reports from New York.

Rival bidder Dow Jones had appealed the bankruptcy court's decision and the appeal was granted. The decision means that the case will go back to the bankruptcy court.

#### Pfizer advances to \$267m on sales surge By Karen Zagor improved by only 1 per cent. Although there are still worries about litigation over Pfiz-

seed business contributed \$39m

in pre-tax income.
Sales in the quarter rose 14
per cent to \$1.7bn from \$1.48bn,
led by growth in Pfizer's health

care operations. During the quarter, Pfizer spent \$172.6m on research and development, up 28 per cent from the first three months of 1990.

Sales from Pfizer's health care business climbed 22 per cent in the 1991 quarter, and

from The animal health operations rose 11 per cent. However, consumer

product sales rose a more 8 per cent, and underly-

ing from specialty chemicals and minerals

TEXTRON, the US pharmacenticals company, yes-terday reported a 17 per cent improvement in first-quarter net income on a 20 per cent rise in sales, after stripping out discontinued operations from the 1990 results.

TEXTRON, the US
In financial services
yesterday reported static profits for the first quarter of 1991. It made \$66.4m after tax, compared with \$66.2m in the same period a year earlier.
Sales in the quarter to the end of March rose modestly, from \$1.88bn to \$1.91bn, while earnings per share progressed slightly to 76 cents, against 73 cents. With the earnings figure roughly in line with analysis' Including extraordinary items, Pfizer's net income in the first three months of 1991 rose 5 per cent to \$267.4m, or 79 cents a share, from \$251.9m, or 75 cents, a year earlier. Earnings per share live been restated to reflect a two-for-one roughly in line with analysis' expectations, the shares eased \$% to \$31. stock split in January. In the 1990 quarter, the sale of the DeKalb Pfizer Genetics

Textron said both the Bell helicopter and financial ser-vices divisions fared well, but its commercial products division was hit by the slump in "consumer confidence".

The financial services operations made \$80.9m, against \$71.4m, while helicopters turned in \$97.8m, against \$16.5m. The commercial products side, by contrast, alumped from \$46.8m to \$20.5m.

Part of the shortfall was related to the unhappy saga II Textron's acquisition of Avdel, In UK triber Dury, in 1989. Due Federal Trib Commission opposition to the merger, Textron has able able Avdel's profits, although it has dividend income from the UK

In the first quarter of 1991, however, this income amounted to only compared with \$6.1m in 1990. Avdel made profits of \$22m before tax last year.

#### 3i GROUP PLC

£75,000,000

FLOATING RATE NOTES 1994

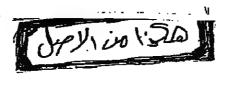
FOR THE THREE MONTH PERIOD 17TH APRIL, 1991 TO 17TH JULY, 1991

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 12 per cent per annum and that the interest payable on the relevant interest payment date, 17th July, 1991 against Coupon No. 27 will be

S.G. WARBURG LCO. LTD. (Agent Bank)

£1,495.89 from Notes of £50,000 nominal

and £149.59 from Notes of £5,000 nominal.



DAY APRIL 19 19

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Gold and Uranium

Company Limited



Consolidated Gold Mines Limited

**OFSIL** 

Orange Free State Investments Limited

# Sallie S

The South African Land & Exploration Company Limited



**Exploration and Mining** Transpary Limited



Welkom Gold Holdings Limited



#### **Highlights**

- Freegold reduces working costs
- Vaal Reefs gold production maintained
- Western Deeps Levels sound start to new year
- Elandsrand unit costs contained

#### Abridged quarterly reports and preliminary profit announcements - Dividend declarations



#### **Elandsrand**

		-	
	Mar., 1991	1990	1990
Area mined - m²000	·103	117	427
Tons milled 000	553	593	1.0
Yield — g/t	5.60	6.66	6.41
Production – kg	3 637	190	A411
	149.92	147.48	140.10
- R/kg produced	22 796	100	III 854
Price received on gold sales			
- R/kg	31 529	31 823	32 159
	. R 000	R 000	R 000
Turnover	114 631	127 138	453 656
Profit before taxation	31 070	37 640	141 715
Provision for taxation	196	281	Limit
Profit after taxation	30 874	37 359	139 987
Appropriation for capital			
expenditure	21 400	26 032	112 706
Profit available	0.775	,11 327	27 279
Dividends - including a final dividen	d	<i></i>	
of 15 cents per share			29 138
Decrease in retained profit			1 859
Earnings per share - cents	4		
- before appropriation for capital	50		144
expenditure	. 32	39	144
	.10	12	. 28
expenditure	24 295	26 022	117 305
Cetatric exhemiting - work	21 233	20 UZZ	111 300

Notes:

1. The new rate of non-mining tax as announced in the budget by the Minister of Finance have been used in the tax computation.

2. Orders placed and outstanding on capital contracts as at March 11 1991 totalled R13 573 000.

#### Freegold

issued Capital in shares of 50 cents each: 116 179 121 ordinary and 1 535 424 (previously 1 501 379) is ordinary shares
The following are the results of the company and its wholly-owned operating subsidiary, Free State Consolidated Gold Mines (Operations) Limited.

· Quarter Quarter Year

	50mm		
	ended		
	Mar. 1991	Dec. 1990	Mar. 1991
Gold .			
Area mined - m2000	965	1,000	
Tons milled 000	100		26 068
Yield - g/t	4.30	4.42	1.00
Production - kg	28 184	28 683	112010
Cost - R/ton milled	: 124.97	(mag)	124.82
- R/kg produced			28 844
Price received on gold sales			
- R/kg	33 008	32 279	32 325
Metallurgical Scheme		· ".	-
*Silvaes treated - tons 000	2 542	8.798	12 868
Granium oxide produced - kg	'÷	_	68 885
Gold produced - kg	538	645	2 553
Acid produced - tons	74 067	98 095	374 266
• includes material from St. Helena alimes dan	04		
	R million	R million	R million
T	953.9	946.0	3 763.3
Turnover			
Profit before taxation	145.4	107.4	473.7
Provision for taxation	10.8	<u>4.5</u>	40.8
Profit after taxation	134.6	102.9	432.9
Appropriation for capital			
expenditure after loan finance	80.6	. 55.5	265.5
Profit available	54.0	47.4	167.4
Dividends - including a final divident	1		164.8
of 85 cents per share			
increase in retained profit			2.6
	46	40	142
Earnings per share – cents	76.2	57.3	269:4
a and dayne Profittion			

RATIONALISATION OF OPERATIONS AT FREEGOLD NORTH RATIONALISATION OF OPERATIONS AT FREEGOLD NORTHin a press statement made in June 1998, the curtailment of certain mining
operations at Freegold's South Region was announced. In addition, it was
stated that this planned curtailment was likely to require the reduction of
7 809 jobs (out of the total then of 167 800 for Freegold as a whole). The
number of retreachments to date, standing at 2 516, is considerably less
than that announced as management have taken advantage of natural
stirition and redeployment of people, as well as introducing other
measures in consultation with employee representatives, to minimise
retreachments.

retrenchments.

Management regret to announce that the loss of some further 8,000 jobs at Freegold's North Region appears inevitable due to a decision to down-scale the level of operations there This decision arises from the reduction in ore reserves caused by lower profit margins and the fact that the expolitation of Freegold's stining lease has now reached an advanced stage. As in the case of Freegold's South Region, the masher of retrenchments should be less than the jobs lost. Discussions with employee representatives at Freegold North have strendy been initiated.

It is not expected that Freegold's sold avaduation for the current financial.

N is not expected that Freegold's gold production for the current financial year will be materially affected by this rationalisation exercise.

#### Ergo

	ended	ended	100	
	Mar. 1991	Dec. 1990	Mar 1991	
Material treated - tons 000	9 674	9 790	38 569	
Gold production - kg	2 673	2 979	11 395	
Uranium production - kg	1 429	19	72 141	
Acid production - tons	48.777	173 046	<b>426</b> 015	
Price received on gold sales				
- R/kg	33 728	10.140	32 123	
	R 000	H OUV	R 000	
Turnover	97 157	333.600	411 403	
Profit before taxation	14 306	III 732	61 056	
Ergo division	8 446	Y 4	33 972	
Daggafontein division	7 135	7 248	25 968	
Simmergo division	(1 275)	225	116	
Provision for taxation	864	1 722	5 180	
Profit after taxation		13 010	55 876	
Appropriation for capital				
expenditure	5 327	3 089	21 319	
available	8 115	9 921	34 557	
Dividend - inal dividen				
of 35 cents per share			33 321	
increase in retained profit			1 236	
Earnings per share - cents	17	21	73	
Capital expanditure - R000	4 296	2 826	19 464	
•				

and in turn Ergo has undertaken to procure the transfer by AAC of the same number of Ergo ordinary shares to the 5 & J Group. The Issue of these shares will locrease Ergo's total issued capital to 50 080 384 shares of 50

cents each. At current gold price levels the acquisition of these dams is expected to increase Ergo's total earnings per share over the life of its operations. However, the extent of the increase in earnings will depend on the gold price prevailing at the time the slimes are treated.

In terms of a new agreement Ergo has acquired the S & J Group's interest in the Summergo plant and has the right to treat S & J Group material in the Summergo plant and has the right to treat S & J Group material in the plant until ione 30 1991 and any other material until ione 30 1992. Ergo has repaid its interest free loan from the S & J Group. All previous agreements relating to the Simmergo project will berminate on July 1 1991.

2. Orders placed and outstanding on capital contracts as at March 31 1990 totalled R10 582 000.

#### **Vaal Reefs**

Issued Capital in shares of 50 cents each: 19 000 000 ordinary and 108 862 (previously 106 864) S ordinary shares

	Quarter	Quarter	Year
	ended		
	Mar. 1991	Dec. 1990	Dec. 1990
Gold	-		
Area mined - m2000	477	517	1000
Tons milled 000,	2 813	2 936	11 240
Yield - g/t	6.66	6.39	6.53
Production - kg	18 730	18 748	
Cost - R/ton milled	165.02	143.64	
- R/kg produced	24 783	22 494	
Price received on gold sales			
- R/kg	31 686	31 552	32 181
Uranium oxide			
Tons treated 000	1 215	1 740	8 243
Yield - kg/t	0.21	0.20	0.20
Production - kg	251 800	353 931	1 621 368
	R million	R million	R million
Tursover	616.3	645.9	2 495.9
Profit before taxation	121.3	175.4	595.4
Provision for taxation	6.2	13.7	54.5
Profit after taxation	115.1	161.7	540.9
Appropriation for capital			
expenditure	73.5	88.4	343.3
Profit available	41.6	73.3	197.6
Dividends - including a final divider	ıd		
of 550 cents per share			198.1
Decrease in retained profit			0.5
	218	384	1 034
Carrings per share - cents	72.2	74.4	343.6
Capital expenditure – R million	12.2	74,4	343.0
FURTHER RATIONALISATION OF MINEN	C OPERATIO	awe.	

FURTHER RATIONALISATION OF MINING OPERATIONS
In a press statement made in June 1998, the curtailment of operations at
Nos 6 and 7 shafts was aunounced. No. 7 shaft was closed shortly thereafter
and mining at No. 6 shaft has now been stopped. Final clean-up is expected
to be completed by the end of June 1991. The majority of employees
affected were redeployed to other shafts.
Histogement now wish to report that operations at other shafts, in
particular Nos. 3 and 4 shafts, are to be reduced, thus minimising the
proportion of ore mined below the economic pay limit. Further steps are
being taken to radionalise operations. As a result of these measures,
management regrets that, in all, some 4 500 jobs are likely to be lost out of
a total of 49 600. It is expected, however, that due to maintal attrition and
redeployment of employees, the number of retrenchments should be less
that jobs lost. Discussions with employee organisations concerned are
taking place.
It is not expected that Vani Reef's dold magnetics for the

R is not expected that Vaal Reef's gold production for the current financial year will be materially affected by this rationalisation exercise.

The previous quarter's results include a half-yearly dividend from Southwall
 Holdings Limited and are therefore not directly comparable with this
 quarter.

2. Orders placed and constanding on capital contracts as at March 31 1991

#### S.A. Land

197 JOE 3 OLOWIGH & STINIGH				
	Quarter	Quarter		1
	ended	ended		1
	Mar. 1991	Dec. 1990	Dec. 1990	Į.
Tons milled 000	574	586	0.00	
Yleid - g/t	0.66	0.76	0.69	ı
Production - kg	382	444		1
Production, transport and				1
screening costs - R/ton milled	19.71	19.62	17390	1
- R/kg produced	29 615	25 899	20 (20)	i
Price received on gold sales				1
– R/lg	31 496	31 511	20.00	1
	R 000	R 000	R 000	]
Turnover	. 12 037	13 935	51 819	]
Profit before taxation	. 550	1 188		1
Provision for taxation	118	246	1 507	ı
Profit after taxation	432	942	3 653	Ĺ
Appropriation for capital	100	-	5 000	ı
expenditure	(27)	(91)	(265)	l
Profit available			3 918	i
LIOUT GASTISDIC	. 459	1 033	2 210	Ι.
Dividends - including a final dividen	d			ı
. of 22 cents per share			3 924	ı
Decrease in retained profit			6	
Earnings per share - cents	. 5	11	42	1
Capital expenditure - R000		(39)	(61)	
• •		400	47	
Notes:				1

#### **Western Deep Levels**

Issued Capital in shares of R2 each: 27 IIII III ordinary and 515 151 (previously 514 627) S ordinary shares

Quarter Quarter

	Mar. 1991	Dec. 1990	1990
Area mined - m*000	220	248	931
Tons milled 000	1 594	1 669	
Yield - g/t	6.41	5.96	0.00
Production – kg	10 215	9 953	38 487
Cost - R/ton milled	147.48	139.81	134.03
<ul> <li>R/kg produced</li> </ul>	23 013	23 444	23 475
Price received on gold sales			
- R/kg	31 947	32 284	DATE:
	R million	R million	R million
Turnover	325.1	318.5	1 238.1
Profit before taxation	93.6	90.4	304.5
	10.5	1.0	ilu.
Profit taxation	83.1	89.4	345.4
Appropriation for capital			
expenditure	63.0	67.6	
	20.1	21.8	100.0
- including a final divider	<u> </u>		
150 per share			40.0
increase in			113
LICIOLIS II			
Earnings per share – cents		78	312
Capital expenditure - R million	63.0	59.2	
Notes:  1. The new rate of mining and non-mining the Minister of Finance have been used.			budget by

Orders placed and outstanding on capital contracts as at March 31 1991 totalled R19.7 million.

A THINGS	1 m 20 m	: <b>:::::::::</b> ::::::::::::::::::::::::::		7.5	~ × ×	M. M.	44.4	
			2.0	COO PINE	N H	200	4	
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Manager Street			2.11	12.0	-	TO	\$	
				A	B. 488-1			- Ma
	W. Mick	ور سندره	· **	*****	× .00			4

#### **Ofsil**

Issued Capital: 22 514 094 ordinary shares of 1 o	ent each	
	Year ended Mar. 1991	Year ended Mar. 1990 (Audited)
	R million	Ř millioz
Income from listed investment	82.2	173.3
Profit before taxation	81.8	173,1
Texation		0.1
Profit after taxation	81.8	173.0
Dividends — Interim of 143 (1990: 390) cents per share paid December 14 1990 — final of 220 (1990: 378) cents per share payable on or about	32.2	87.8
Juge 14 1991	49.5	85.1
	81.7	172.9
Increase in retained profit	0.1	0.1
Earnings per share – cents	363	768

#### Welkom

Capital: 350 St. ordinary 50	each	1
	Year ended Mar. 1991	Year ended Mar. 1990
	R 000	E 1000
from	33 421	70 635
taxation	32 968	70 205
Taxation	21	10
Marie	32 947	70 195
100) cents per		
paid December 14 1990 - final of 57 (1990: 98) cents per	12 726	35 351
payable on 📰 🖛 🚾	ŀ	
14 1991	20 150	34 644
	32 876	69 995
profit	71	200
Earnings per share – cents	93	199



#### Final dividends

On Thursday, April 18 1991, final dividends for the year ended Manual 11 1991 were declared in South African currency payable to holders of the following companies' ordinary and S ordinary shares:

Dividend number

Cents per share

Freegold	7.7	85
Ofail	11	220
Welkom	68	57
		1991
Last day to register for dividends for changes of address or dividen		
instructions)		Friday, May 17
Registers closed from to (inclusive)		Saturday, Mar 18 Saturday, June 1
Ex-dividend im Johannesburg		
exchanges		Monday, May 20
Currency stell	rling	
Committee in the committee is part ().	with	
London		Monday, May 20
Dividend posted		Thursday, I 13
Payment date of dividends on or	about	Friday, June 🖪
	No.	15 per IIIII

Holders of share warrants to bearer issued by Freegold and Ofsil are notified that their dividends are payable on or after Friday, June 14 1991, upon presentation of coupons marked "South Africa" and No. 11 on the side reflecting the share warrant number, at the offices of First National Bank of Southern Africa Limited, Stock Exchange Branch, Diagonal Street, Johannesburg, South Africa; Union Bank of Switzerland, Bahahoistrasse 45, 8021 Zürich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Brusselles Lambert, 24 Avenue Marnis, 1050 Brussels, Belgium, only. Coupons must be left at least four clear days for

The full man have relating in the least may be inspected in the the companies and the transfer

CORPORATION OF SOUTH LIMITED C.R. Bull April 18 1991 Sentor Divisional Secretary

1. Unless otherwise stated all results are unaudited.

2. The increase in share capitals during the quarter resulted from the issue of shares to Angio American Corporation of South Africa Limited (AAC) finance the acquisition of AAC shares for distribution to employees who participate in The Anglo American Group Employee Shareholder Scheme. 3. All companies are incorporated in the Republic of South Africa.

4. The unabridged reports will be posted to members, debenture holders, and to persons on the mailing lists and copies are available from the Transfer Secretaries and the Head and London Offices.

TRANSFER SECRETARIES Consolidated Share Registrars Limited 1st Floor, Edura 40 Commissioner Street Johannesburg 2001

(PO Box 61051, Marshalltown 2107) Barclays Registrars Limited Bourne House, 34 Road Beckenham, Kent BR3 4TU

Marshalltown 2107) LONDON 40 Holborn Viaduct London EC1P 1AJ

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44 Main Street

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Johannesburg 2001

April 18, 1991

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THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.

NOTICE OF ANNUAL GENERAL MEETING Notice is hereby given that the Annual General Meeting of The Notice is nerecy given that the Annual General Meeting of The Dreyfus Intercontinental Investment Fund N.V. (the "Fund") has been called by the Management and will take place at the registered office of the Fund, De Ruytericade 62, Willemstad, Curação, Netherlands Antilles on May 9, 1991 at 11,00 o'clock in the forencen. Stockholders of record at the close of business. Tuesday, March 19, 1991 will be entitled to receive notice of and

AGENDA

- Consideration of the approval of a plan by which Fund Stockholders will become stockholders of the Dreyfus Fund International Limited (International) by the transfer of the assets of the Fund, subject to full satisfaction of creditors, in exchange for shares of Common Stock of International, the liquidation and dissolution of the Fund in accordance with the laws of the Netherlands Antilles, and upon completion of such liquidation and dissolution, the distribution of shares of Common Stock of International to the Stockholders of the Fund; and certain other related transactions.
- Approval of Financial Statements of the Fund for the fiscal year ended August 31, 1990 and the unaudited Statement of Assets and Liabilities of the Fund as of March 31, 1991.
- The lation of such other business as may properly come before a meeting, or any adjournment or adjournments

The Fund's Board of Directors and Management recommend that the Stockholders approve Proposal Number 1. If the proposal is approved, Stockholders may continue their investment in a fund which is similarly sponsored with a long-term capital growth objective through their ownership of international Shares or they may redeem their Fund Shares for cash. Stockholders who desire to redeem their Fund Shares prior to their receipt of International Shares are their fund Shares prior to their receipt of International Shares must deliver a notice of redemption on or before July 9, 1991 to the Fund or its Redemption Agent, NatWest International Trust Corporation (Baharnas) Limited (NatWest) at the address set forth below:

set forth below.

The foregoing items may be approved by a majority of the sharea cast on each item. The Annual Report of the Fund containing Financial Statements for the fiscal year ended August 31, 1990 has already been mailed to Stockholders, and copies may be obtained upon request from the principal office of The Dreyfus intercontinental Investment Fund N.V., Post Office Box N3712, Nassau, N.P., Baharnas and at the registered office of the Fund, De Ruyterkade 62, Willemstad, Curaçao, Netherlands Antilles. Copies of a proxy statement which sets forth the maitters to be voted upon at the meeting, describes Proposal Number 1 in detail and includes the financial statements of International for the fiscal year ended June 30, 1990 and for the five years then ended, together with a copy of a prospectus of The Dreyfus Fund incorporated, dated March 15, 1991 may be obtained upon request and without cost to the Stockholder at the registered office of the Fund, De Ruyterkade 62, Willemstad, Curaçao, Netherlands Antities; the Fund's Custodian and Administrator, NatiWest Corporate Trust Department, West Bay Street, P.O. Box N7788, Nassau, N.P., Baharnas; or The Paying Agent and Representative of the Fund in Germany, Deutsche Bank AG, Grosse Gallusstrasse 10-14, 6000 Frankfurt.

Shares of the Fund are Issued in bearer form ("Bearer Shares") or are registered in the name of the Stockholder. Holders of Bearer Shares will be admitted to the meeting upon presentation of the Certificates or presentation of a voucher which may be obtained from any of the Paying Agents.

Holders of Bearer Shares may vote by proxy by mailing a form of proxy and a voucher obtained from one of the Paying Agents to Mr. Neville Pearson, The Dreytus intercontinental investment Fund N.V., c/o NetWest International Trust Corporation (Bahamas) Umited, Corporate Trust Department, P.O. Box N7788, Nassau, N.P., Bahamas. The form of proxy and voucher must be received by Mr. Pearson by May 8, 1991 to be voted at the meeting.

The Custodians of the Fund are The Bank of New York, 110 Washington Streat, New York, New York, U.S.A. and NatWest International Trust Corporation (Baharnas) Limited. All Inquiries should be directed to NatWest International Trust Corporation (Baharnas) Limited, Corporate Trust Department, P.O. Box N7788, Nasseu, N.P., Baharnas.

Bowling Green Company Limited Managing Director

19th April, 1991

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#### MANAGEMENT CONSULTANCY

The FT proposes w publish this survey on

May 15 1991. It will be of particular interest to the 130,000 directors and managers who read the FT daily. If you want to reach this important audience, call Sara Mason on 071 873 3349 or fax 071 3064.

Source: BMRC 1990/RSL (Mon-Fri).

**FT SURVEYS** 

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

April, 1991



U.S.\$180,000,000

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#### INTERNATIONAL CAPITAL MARKETS

# Treasuries slide on news of labour market revival

By Patrick Harverson in New York and Tracy Corrigan in London

GOVERNMENT bond prices fell sharply across the board yesterday morning after signs of an unexpected revival in the labour market.

By midday the benchmark

30-year Treasury bond was down % at 96%, to yield 8.171 per cent. At one stage the long

#### GOVERNMENT BONDS

bond had been almost a full point lower. The two-year note was even weaker, down A at 100%, yielding 6.965 per cent. Bond prices fell on the news of a 22,000 drop in initial claims for state unemployment insurance in the week ending

April 6. The market had been expecting a rise in the number of jobless claims, and analysts said the figures pointed to signs of a recovery in the labour market, and therefore, in the economy as a whole. The jobless statistics, follow-

ing on from last week's promising inflation data, are likely to reinforce the view that interest rates do not need to comdown any further. The bond market has been troubled in recent days by suggestions that the Federal Reserve is satisfied with the progress of the economy, and sees no need for another easing of monetary

The release of \_\_\_\_ figures the delicit had narrowed from January's \$7.3bn to \$5.3bn, had less of an impact on the bond market yesterday, primarily because trade patterns were disrupted during the month by

BENCHMARK GOVERNMENT BONDS Prim Change Yield 103-22 + 61/32 10.81 11 10.28 92-20 9.89 10.02 13.500 09/92 9.000 03/00 10/08 -17/32 -22/32 03/00 88.3744 7.04 7.15 6.06 6.76 No 119 4,800 No 129 6,400 8.27 8.45 9.000 01/01 104.0600 -0.200 8.36 GERMANY 02/98 99.8051 9.03 P. 9.32 01/01 104,1700 P. 8.83 P. 9.16 9.750 -0.600 9.58 9.57 9.78 8,500 99,5100 8,57 8,49 8,70 NETHERLANDS 13.000 07/00 111.7493 -0.002 10.94 11.12 11.46 10,000 08/00 105,0000 -0.250 8.95 BELGIUM London closing, "denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal Technical Data/ATLAS Price Sources

height in February.

EUROPE, the London glits market fell about % point, despite a series of economic data considered quite positive

for the market. The main influence on the was in continued oversupply of paper, in further £335m of new sterling foreign and corporate bond issues added to the market yes-Mrday. Interest in the new fiveyear gilt to be auctioned described only

The long gilt future on London International Financial Futures Exchange ended at 91%, down from Traders are focusing on pro-

visional money supply figures due to be released later today, particularly bank lending data. German eased slightly, but substantially out-

the Gulf war, which was at its performed the US bond market. The Bund futures contract on Liffe ended at 85.66, down from a closing level of 85.78 on Wednesday. German monetary policy was left unchanged vesterday's Bundesbank meet-

ing.
The French bond market also outperformed the US Treasury market, and was also a little stronger than German.
The yield spread between French and German bonds nare had a mint or two to rowed a basis point or two to 46 basis points.

A two and five-year bond auction in France was quite well received, dealers said.

JAPANESE government bonds fell III yesterday afternoon following the fall in the US market, but otherwise traded in a very narrow range. Traders said market sentiment was poor and volumes were

# Bell Group bondholders at risk

By Mark Westhill in Sydney

EUROPEAN bond holders owed \$587m are at risk follow-ing the appointment of a provi-sional liquidator at Bell Group, subsidiary of Bond Corpora-

The liquidator was appointed sterday after the breakdown of talks with Mr Kerry Packer over a proposed restructuring

Mr Packer's Australian Con-solidated Press had segui to inject \$60m of fresh capital into Bell in exchange for taking 15.1 per cent of the company, but negotiations between the two

broke down. Mr Packer was seeking control of Bell's main asset, the Australian newspaper.
Bell also has 38 per cent of

Bell Resources (since renamed Australian Consolidated worth around A\$43m.

The directors of Pall mondecided to seek a provided liquidator when they realised

the company could not and a demand for the redemption of A\$150m in convertible bonds held by the West Australian state government insurance

commission (WASGIC). Ball defaulted on interest payments on the bond last September, triggering an SGIC demand for full repayment. Bell directors told their main bankers, owed A\$830m, that they could not meet the repayments. The banks reportedly pressed Bell to seek a formal manager.

to seek a formal manager.

Bell Group has A\$587m of convertible bonds seemed by the Suropean investors. The result of bonds with containing the seemed bonds with containing the seemed by the seemed

ŀ		FT/AIBD INTERNATIONAL BOND SERVICE
I	United are the latest international	bends for which there is an adequate eccondary meritor.  Latest prices at 6:10 per on April 5
	U.S. DOLLAR STRADENTS  ARBEY MATIONAL 8 7/8 93  ALBERTA PROVINCE 9 3/8 95  AUSTRA 8 1/2 00  BASK OF TOLYO 8 3/8 96  BELGUN 9 1/8 92  BFLE 7 3/4 97  BFLE 7 3/4 97  BFLE 1 3/8 95  CARCID 9 1/4 96  CARCID 9 1/4 96  CARCID 9 1/4 96  COLO 9 1/4 96  ESCE 7 1/4 96  ESCE 7 1/4 96  ESCE 7 1/4 96  ESCE 7 1/4 96  ESCE 1/4	196   197
	DESTSCHIK MARK STRAIGHTS ASAN BEY BAKK 5 94 AUSTRIA 6 98 CUT 6 1/8 99 CUT 6 1/8 99 CUT 5 1/8 99	FLANTING RATE NOTICE
	SWIES FRANE STRANSHTS ASIAI DEV BAIK 6 10 AISTIRIA 4 5/6 98 CHULITSUYA 7 3/4 95 CHULITSUYA 7 3/4 95 CHULITSUYA 7 3/4 96 EEL 5 1/2 00 EE	100 95 935 6.64 SERF PROVIDE 95 99.88 7.1250 99.88 97.1250 99.98 90.54 6.62 SERF PROVIDE 95 99.88 97.1250 99.98 90.54 6.62 SERF PROVIDE 95 99.88 97.125 91.00 99.98 90.54 6.62 SERF PROVIDE 95 99.88 97.125 91.00 99.98 90.54 6.62 SERF PROVIDE 95 90.54 80.64 SERF PROVIDE 95 90.64
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#### Spain eases withholding tax refunds to foreigners

By Peter Bruce and David Owen in Madrid

THE SPANISH Treasury is proparing new rules to facili-tate the quick repayment of a 25 per cent withholding tax on government bonds bought by

oreign investors. Mr Manuel Conthe, the chief Mr Manuel Contae, the chief of the Treasury, said yestenday the new regulations would mean non-resident bond holders would be paid back their withholding tax within one or two days. The tax was effectively abolished at the beginning of this year but repayments are cumbersome.

ments are cumbersome.
The idea is that the fereign investor will not even notice that the tax has been with-held," he said. At present, foreign bond holders have to go through a cumbersome proce-dure to claim the tax back after cashing in their coupons, Proof of non-residence has to be obtained from the tax authority in their country of residence and posted to Mad-rid. Return of the tax can take

Mr Conthe said the new procedure, currently being worked out with the Bank of Spain, would enable the Bank entomatically to refund withheld amounts to non-res held amounts to non-residents as soon as it received its list of debt holders. This could take one to two days. Since April 1967 the Bank of Spain has run a custody services for Transmission, clearing and custody services for Transmission instruments.

sury instruments.
He said it was impossible to abolish the tax as domestic abolish the tex as munestic investors would still have to pay it. The Treasury, he said, wanted to make the new sys-actic text and the new system as watertight as possible to prevent local investors from buying bonds through fereign institutions to escape the tax

He said the had been prompted by a sudden surge of foreign interest this year in Spain's three and five-year in Spain's three and five-year bonds. In the expectation of further interest rate falls is Spain, the value of bunds held by foreigners has tripled this year to \$12bm.

Mr Conthe said the would probably be in when the Treasury also plans to launch a new instrument - mainly for domestic investors to replace its Fast Pagares del Tesoro (promissory notes) which have been used to draw untaxed income into the sys-

Interest in the pagares has fallen off sharply in the last two years and Mr Conthe said they would be replaced by Spe-cial Public Debt. This would yield 2 per cent (the pageres yield about 5 per cent) and mature over 6 years. Their advantage that holders would be guaranteed protec-tion from the tax authority. Madrid has been loathe to declare a tax amnesty on black

market money in circulation in Spain, which some estimates put as high as \$40bn.
Although the Special Public
Debt instrument is not expected to attract much interest, it is the closest the govern has come to compromising with opposition calls for a gen-

#### Setback for Canadian **Lanking** deal

By Robert Gibbens in Montreal

THE LAURENTIAN Bank's plan to buy part of Standard (US\$47.8m) has run into oppo-sition.

Several institutional lenders Standard Trustco, saying they are owed C3100m, have asked the courts in Ontario to appoint a receiver so they can take control of the company. The receiver would operate Standard Trustco and negoti-ate the sale of assets with any bidders, including Laurentian Bank.

Standard Trustco is in default on loan payments to 25 creditors, including Bank of Tokyo Canada and Swiss Bank Corporation. Laurentian Bank, based in

Montreal, proposed taking over part of Standard Trustco's operating subsidiary, Standard Trust, with deposits of C\$1.2bn and more than 30 branches. But this was condi-tional on approval of the sea-ers, who now object to the terms. The trust company is

financed separately.
Standard Trustee is 48 percent held by Roman Corporation, the holding company of the late Canadian mining magnate, Stephen Roman, It also controls Denison Mines, a big Canadian uranium producer also facing financial problems.

• BEAR Stearns has issued \$150m of non-callable senior notes due April 15, 1998, the US investment bank said. The per cent notes were priced at 99.58 to yield 9.207 per cent or 130 basis points over Trea-

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STRIDAY APPRILING

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By Simon London J. SAINSBURY, the UK food retailer, yesterday became the latest corporate borrower to tap the international bond market this week with a \$150m five-year issue. The bonds carry a coupon of

the tomos carry a compon in 8½ per cent and were reoffered to investors at the fixed price of 99.72, where the yield spread over US Treasury bonds is 72 basis points.

The company's last Eurodol-\$150m. seven-year issue was in 1989, a \$150m. seven-year issue lamched at a yield spread of 80 basis points over Treasuries. Since 1989 many corporate yield spreads have widened significantly. The narrowing of Sainsbury's yield spread Sainsbury's yield spread Sainsbury's yield spread reflects the company's growing following among international investors. Lead managed by J.P. Morgan, by late aftarnoon the deal was trading at 99.45 bid, for a yield spread of 71 hasis points over Treasuries.

The £100m five-year issue announced on Wednesday by Sears, the UK retail group, was priced to yield 135 hasis points over UK government, bonds.

over UK government bonds.
The coupon was set at 12% per cent and the issue price was 101.95. Both the Sears and Sainsbury deals include an "exent risk" put option, giving bondholders the right to sell back to the issuer at par if the company becomes the subject of a hostile takeover bid. Most of the Sears bonds were placed by Credit Suisse First Boston, the lead manager, and

Borrower US DOLLARS J Sainsbury(b)

EIB(g)† Sears(b)† ANZ Banking Group(c)† Govt.of Gibraltar(d)†

Govtof Gibraltar(d)† Gen.Elec.Capital Corp(e)†

CANADIAN DOLLARS

STERLING

Goldman Sachs and Warburg. The three firms reported strong buying interest from institutions keen to pick up higher-yielding assets, although retail companies are not favoured by many invest-ment institutions. The deal traded at 101.80 bid, against full fees of 1% per cent.

However, the highest yielding bonds of the day were launched by ANZ Banking Group, which launched a £60m

status with \$150m deal

#### INTERNATIONAL BONDS

10-year subordinated deal

priced to yield 225 basis points over the 10 per cent UK gov-eriment bond maturing 2001. The issue was lead managed by Goldman and launched at £50m but increased in the face of strong buying interest. ANZ carries A-2 and single-A credit for subordinated paper respec-tively from Moody's Investors Service and Standard & Poor's, the two big US credit rating agencies. National Westminagencies. National Westmin-ster bank, which launched 2100m of 10-year subordinated paper on Monday, is rated Aa and AA2 by the two rating agencies and paid a yield spread of 135 points. The European Investment Bank also tapped the sterling sector of the market, s. III 2150m of five-year paper in a

**NEW INTERNATIONAL BOND ISSUES** 

1001

An Private placement. Somertible. #With equity warrants. #Ploating rate note. #Final terms. a) Final terms. b) Event risk put at per. c) Subordinated issue. Non-callable. d) Stering foreign bond. Callable at higher of per, or at redemption yield same as glits. (f Gibratter causes to be a crown colony, ocupon will be reset to 7½% over gift. e) Amount increased from 275m. Non-callable. f) Fungible with existing Ecut20m deal from 21/5/81. Non-callable. g) Fixed price reoffer - 99.62%. Non-callable.

2001

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ground of weak D-Mark. By the close of trading, the issuing was bid at around the fixed reoffer level of 99.62.

coupon of 9% per cent.

Both deals were aimed at retail investors and were held at the fixed and price by the lead managers throughout day. The progress of the IMI deal may be slowed by yesterday's announcement that Italy's triple A credit rating may be lowered by Moody's. IMI is controlled by the Italian state and will automatically loose it's top rating if the

bond issue in managed by BZW. The paper matures in 2005 and was priced to yield 175 basis points over the 9% per cent UK government con-version maturity.

13/1.875 JP Morgan Sec

Goldman Sache BZW 17/14 Hambros Bank

2/15 Wood Gundy

1월/1월 Unibank

1<sup>3</sup>g/1.275 CSFB 1<sup>3</sup>g/1.275 Paribes Capital Mids. - Nildo Seca.

8ZW 17/1.6875 CSFB 1/12 Golden

#### solely underwritten by Barclays de Zoete Wedd, Participants in the deal reported continued buying of sterling assets by continental European investors against the back-

Yesterday saw Ecu450m of three-year bonds issued, more

new Ecu paper than in the past three weeks. Crédit Local de France came with a Ecu200m offering of bonds paying a con-pon of the per cent lead man-aged by Paribas. This was quickly followed by a Ecu250m deal from IMI Bank, the Italian state-controlled financial institution, with bonds paying a

downgrading proceeds.

GIBRALTAR yesterday made it's debut in the capital markets with a \$50m domestic

market or damage the financial standing of the country con-

# Sainsbury reinforces debt | Japan loosens up on sale of third world loans

Stephen Fidler reports on how Tokyo's banks are under pressure to lift their capital ratios

Banks in Europe and the US have been selling third world loan for years, while Japanese banks have held tight. Now with their capital ratios under pressure from the Basle international guidelines and with a mod from the Ministry of Finance, the portfolios are loosening. Japa-nese banks are now important ellers of third world loans.

Japanese bankers play down the scale of their selling so far, the scale of their selling so far, saying there is no uniform strategy, but admit that they are likely to step it up.

Mr Ryuichi Kato, chairman of the Nagoya-based Tokai Bank, said: "In the future, Japanese banks will have to think about the possible selling of their credits like the European and American banks have done." One motivation, he said.

done." One notivation, he said, would be to keep up capital ratios in the face of the international bank capital guide-Significant disposals of by Japanese banks emerged towards the close of the laminancial which ended March 31. Selling assets for cash is one way to improve capital ratios. In addition, sell-ing the bonds by Mexico's restructuring deal with banks last March enabled

them to emerge II a profit, because the bonds have risen sharply from the depressed price at which they if first booked last year. Officials from the Ministry of Finance say they do not mind Japanese banks selling. There is one proviso, they say: that it doesn't produce a disorderly

cerned. This appears to confirm Japanese bankers' assessments that the scale of selling

will be modest. Japanese banks are the sec-ond-largest national group of bank creditors to the lessdeveloped countries (LDCs), after the US banks. For much of the 1980s, Japanese banks were new lenders in most of Latin America's debt restructthe so-called "free-riders" stayed out. Their share of the outstanding debt also grew as other banks reduced their port-

INTERNATIONAL CAPITAL MARKETS

folios, while the banks stood fast.
More recently though, the importance of the LDC debt issue to the banks has begun to decline. The decline of the dellar account the more has dollar against the yen has meant that in yen terms, the absolute size of the dollarabsolute size of the dollar-denominated third world loan portfolios has declined. Third world loans now make up only 1 per cent of the loans of Japa-ness city, trust and long-term credit banks.

At the of last September At the of last September, the face value of third world loans held by these banks amounted of 73,528.4bn — nearly \$26bn of current exchange rates — of which the city banks accounted for the largest share: Y2,506bn. This compares with the estimated \$60bn held by US banks and to the estimated stock of bank debt of roughly \$400bn.

yen appreciation. In a Japanese banks have transferred assets to a Cayman Island shell company, the Japanese Bankers' Associa-tion. For example, some bonds

DEVELOPING COUNTRY DEBT EXPOSURE (SEPTEMBER 1881) Yhn loans Bank of Yokyo Hokkaldo Takushoku 209.B

0.71 61.8 0.61

created by the Mexican and Venezuelan debt restructur-ings were transferred into the company, in which Japanese banks own preferred based on the proportion of the assets that they transfer into

However, Japanese bankers are uncomfortable about disclosing how much they have transferred into JBA, which they say does not itself sell assets into the secondary market.

The reason for their discomfort is that it smacks of special tax mucessions available to banks and \_\_\_ other \_\_\_\_

"Brady" restructurings in which concessional bonds were exchanged for the Mexico and Vanezuela swapped their

old loans for concessional The reason that the Japanese banks have been slower than most in selling loans, apart from their MoFencouraged innate conservatism, was the low level of

reserves they had built up.
Building a cushion against loan losses is expensive for Japanese banks. To do it they must sell assets from their hidden reserves - usually shares held in Japanese companies.

In doing so, they must pay tax on their gains at one of the highest corporate tax rates in the world. (For most restructuring countries, only 1 per cent is transferable into as transferable into as Nicaragua or Peru, which have not made any payments to banks for three years or more, a 50 per cent tax free reserve is allowed - in

write-off.)
This means the banks have to sell shares worth more than double the reserve they establish. However, there is a tax break when a write-off is taken – so the banks' reserves effec-

tively cover more than double the actual reserve level.

The Ministry of Finance for the first time the purchase allowed banks the the reserve level they wish against their third world loans, lifting a ceiling of 25 per cent time previously in place. In have moved reserves to the 30 per cent level - an effective of 70 per cent because of the tax rules, Tokai Bank's Mr Kato points out that the banks have asked

for banks, according to other senior Japanese bankers, is that while, under current tax rules, the banks are satisfactorily reserved against loss of capital, they are not reserved against the build up of interest arrears. "So we have to suffer for the portion of interest that is not paid," said one.

Sales of assets and the prospect for more are important largest secondary market dealers in LDC assets to have up some kind of operation

Tokyo.

far, only one Japanese bank has established its windebt trading group: the Bank of Tokyo, whose operation is based in New York. Other Japanese banks are said to have considered similar

Debt traders in Tokyo say they do not envisage Tokyo developing soon into the two-way market now evident in London and New York. When Japanese banks are in the market, they are sellers although strong competition

among traders in Tokyo is such that the prices they obtain a generally keen.

The introny in the selling of LDC The banks are ridding themselves of their Land American assets tious Japanese - are beginning develop a selective in those parts of it now enjoy-

# **London Options Market aims to widen retail appeal**

THE LONDON Traded Options Market is introducing a series of improvements designed to enhance the market's appeal to retail investors, write Tracy Corrigan and Jim McCallum.

LTOM is planning firm price quotations on screen for retail orders of up in 10 contracts (10 000 charges) and in to 10 contracts (10,000 shares) and "trade ticker" providing volume as well as price information. The changes were targeted by a special committee report by the LTOM Divisional Board, following a survey of broking houses

LTOM derives only 30 per cent of its business from retail investors, com-pared with about 70 per cent at other

options exchanges such as the Chicago Board of Exchange and the European Options Exchange in Amsterdam, according to Mr Geoffrey Chamberlain, LTOM's chairman. Retail business on LTOM declined in the wake of the 1987 stock market crash.
Mr Chambarlain underlined the

importance retail investors in enabling market makers to balance their activities, same institutions often sell calls to heave men share holdings, while individual arrestors tend to be buyers of calls. The issue of the considered a detarrent for investor, has not been specifically addressed.

After the Rig Bang reference of 1986.

share dealing commissions fell for large customers but they remain unchanged for smaller investors. On an options trade of up to £5,000, an individual investor will pay \$ per cent (2% per cent to buy and the same to sell).

The number of options dealers who the same in the same to sell.

The number of options dealers who will offer a service to small investors has fallen. Mr Paul Hilton, options analyst at James Capel, says "private chant operations have become very expensive to run".

Consequently costs are only likely to fall if volume and up.

High clearing less also discourage investors. A fee per contract of between 21 and \$1.50 is charged by brokers for

clearing through the London Clearing House (Loch). Some brokers say this could be reduced to 25p per contract. The £12 fee which is paid to Loch for margin purposes when options are sold by investors is also widely criticised as a barrier to small investors.

LTOM also plans to promote the use of the Public Limit Order Roard, which allows clients to place orders for execution at specific prices. Currently, this accounts for less than 2 per cent of

with retail outlets such as banks and building societies the setting up of exe-cution facilities for clients.

#### LONDON MARKET STATISTICS -----

### Registry Office   Substitution		The Financial Times Ltd 1991. Compiled by the Financial Times Ltd. In conjunction with the institute of Actuaries and the Faculty of Actuaries										
Extraction   Captrol   C	•				1.				Wed	Tor		age
CAPITAL GOODS CL877	٠.	A MARIE A CONTRACTOR OF THE SECTION AND A SECTION ASSESSMENT OF THE SECTION ASSESSMENT A	I '	134	Earnings	Div.	P/E	ad ad]	7			•
Berikting Materials (24)   BLI   17   -1.6   11.27   3.53   10.96   28.16   1387.15   128.24   128.87   100.2   Contracting, Construction (31)   1383.75   -0.2   30.47   3.69   12.35   21.06   1387.15   1375.17   1352.2   Electronics (26)   1845.24   -0.1   8.49   4.82   15.65   3.31   1847.32   1324.00   1847.14   1766.6   Electronics (26)   1845.24   -0.1   8.49   4.82   15.65   3.31   1847.32   1324.00   1847.14   1766.6   Engineering-Beneral (47)   464.72   40.4   12.35   5.65   7.77   8.86   45.97   40.44   42.35   Engineering-Beneral (47)   464.72   40.4   12.35   5.65   7.72   6.65   65.97   40.91   473.44   433.44   Metals and Metal Porming (80)   473.54   40.3   312.17   6.73   9.72   9.46   32.98   290.19   353.99   344.1   Other-Industrial Materials (200)   1325.03   -0.5   9.33   5.29   1.26   22.99   1944.74   1334.73   1255.00   1340.0   Engesty and Distillers (22)   1802.45   -0.5   8.92   3.60   13.81   14.86   1808.55   176.04   1790.47   1399.5   Food Manufacturing (200)   1208.56   -9.35   4.05   4.05   4.05   4.05   4.05   4.05   4.05   Food Retailing (1.6)   2795.06   -0.4   7.82   2.78   16.70   1.442   2804.91   2805.54   2802.10   220.91   Health and Household (21)   3282.28   -0.3   5.81   2.88   1.28   1.29   2.00   1790.47   1399.5   Food Manufacturing (200)   1208.56   -0.4   7.82   2.78   16.70   1.442   2804.91   2805.54   2802.10   220.91   Health and Household (21)   3282.28   -0.3   5.81   2.88   1.29   2.07   2.08.55   2.26   2.26   2.20   Health and Household (21)   3282.28   -0.3   5.81   2.88   1.29   2.07   2.08.55   2.26   2.26   2.20   2.20   Health and Household (21)   3282.28   -0.3   5.81   2.89   2.89   2.07   2.08.55   2.26   2.20	١٠	stocks per section.	Jadex J.No.	Chenge	(Max.)	'(Act at	Ratio Giet)	to deta		E		
Contracting, Construction (313)   1383,73   -0.2   20.47, 5.59   12.35   12.06   1387,15   1376,11   1375,71   1392, 120   2464,52   2425,52   2464,58   2432,00   2464,58   2		PALITY GRADS (TOL) INSERNMENT										
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Electronics (26)	ı	Flectricals (10)	2425 52								2464.86	
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Engineering-General (477)	li	Engineering-Aerospace (8)	453.54	-0.5				8.86		454.97		
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Consumer   Industrial Materials (20)		Metals and Metal Forming (8)	491.67									
Brewers and Distillers (22)   1.802.45   -0.3   8.92   3.60   13.81   14.86   1808.58   1785.04   1790.47   1399.5   1700.47   1399.5   1700.47   1399.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046		Riccors Lucia			9 25							
Brewers and Distillers (22)   1.802.45   -0.3   8.92   3.60   13.81   14.86   1808.58   1785.04   1790.47   1399.5   1700.47   1399.5   1700.47   1399.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046.5   13.17   15.95   1208.79   1203.64   1209.60   1044.5   1046	1	CONSUMER CROUP (195)	1476.46	-02	8.71							
Health and Household (21)   3282_28   -0.3   5.81   2.58   19.58   20.72   3293.05   2263.35   3251.43   2473.1   Hotels and Leisure (21)   1356.85   -0.4   10.10   5.10   11.68   16.64   1362_15   1351.68   1355_99   1323.1   17.84   1521_09   1498_49   1519.07   0.10   1498_49   1519.07		Brewers and Distillers (22)	1802.45								1790.47	1399.5
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Telephone Networks(4)	ŀ	Business Services (1.3)	1214.00									
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Investment Trusts (69)	ľ	ther Financial (20)					13.05					
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	٤		Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 17	Apr 16	Apr 15			Year

•	FIX	ED i	NTE	REST	r `			AYERAGE GROSS REDEMPTION YIELDS	Thu Apr 18	Wed Apr 17	Year ago (approx
1	PRICE INDICES	Thu Apr 18	Day's change %	Wed Apr 17	Accrued Interest	nd adj. 1991 to date	1 🛊	British Government Low 5 years Coupons 15 years	9.18 9.66 9.79	9.17 9.62 9.74	11.9 11.6 11.5
2	Sritish Government Up to 5 years (28) 5-15 years (30) Over 15 years (8) Irredetmables (6)	130.15 138.4 <del>5</del> 154.64	-0.25 -0.31 -0.46	130.48 138.88 155.36	1.09 1.79 4.09	5.15 4.05 1.50	8 9 10	Medium	10.29 10.11 10.06 10.44 10.29 10.23	10.26 10.06 10.00 10.41 10.23 10.17	13. 12. 13. 12. 12. 12.
	All stricks (72) Index-Linked Up to 5 years (10 Over 5 years (10) All stocks (11)	157,95 146,99	+0.09	157.94 146.86 147.72	-0.25 0.52 0.49	2.72 1.52 1.56	11 12 13 14		3.76 4.10 2.86 3.90	3.75 4.10 2.85 3.90	4.1 4.1 3.1 4.1
	Debs & Leans (54)	-	_	110.06	2.50	2.65		Delte & 5 years Lanes 15 years 25 years	11.64	11.64	14.

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Image	British Funds	Price   Part	Prince   P
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	Name	Stock	
Price   Publ   Response   High   Law   Street Walkery Capital 13pc Co Cap 384   Cap 38   Street Ranker 7 25p Gled Car 61 Ff   101p   2   101p	Policy   Public   Researce   Public   Law   Stock   Price   Price   Public   Researce   Resear	Part   Paid   Control   Part   Control   Part   Control   Part   Paid   Control   Part   Control   Part   Paid   Control   Part   Paid   Pai	Price   Public   Remote   Public   Remote   Public   Remote   Re
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Description	Description   Paid   Paid   Paid   Price   P	Date   Ann'et   Latest   1991   Stock   Closing   40r   Mat.   Three Gross   P/E   Price   199   Onde   High   Low   Stock   Price	Paid   Respect   1991   Stock   Clearing   40r   Mat   Times Group   Price   19   Date   High   Low   Stock   Price   19   Date   Date   High   Low   Date   Date   High   Low   Date   Date   High   Low   Date   Date   High   Low   Date   High   Low   Date   Date   High   Low   Date   Date   High   Low   Date   High   High   Low   High   High   High   Low   High   Hi
Price   Paid   Record   1991   Stock   Closing   For   Net   Times Group   Price   P	Design	Price   Padd   Resume   Result   Resu	Price   Paid   Resume   1991   Stock   Clearing   For   Dark   Times   Gross   Price   Price   Price   Dark   High   Low   Dark   High   High   Low   High   High   Low   High   High   Low   High   High   High   Low   High   High
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# **LONDON TRADED OPTIONS** STR Apr Jul Apr Jul 500 17 39 52 4 14 23 550 1/<sub>2</sub> 15 27 38 43 47 April 18 Total Contracts 26,101 Cale 17,406 11 8,445 FT-SE Index Calls 1,642 Pots 944 Cere FT-SE Calls 2,038 Pots 2,054 240 15 23 33 3 17 23 268 3 15 22 15 30 35

#### **CARDIFF**

The FT proposes to publish this survey on 13th May 1991.

It will is of particular interest in the 130,000 directors and managers who are regular FT readers. If you want to reach this important audience, Please call Clive Radford on 0272 292565 w 0272 225974 or write to him at Merchants House, Wapping Road, Bristol, BS1

Interest Rate: 11.9375% per annum Interest Period: 18th July, 1991

Due 1995

Interest Amount per Note due 18th July, 1991: Interest Amount per £50,000 Note due IML July, 1991: £1,488-10

**WOOLWICH BUILDING SOCIETY** 

£200,000,000 Floating Rate Loan Notes Due 1993

In accordance with the nerma and conditions of the Notes, notice is hereby given that for the three mouth interest period from (and including) 17th April 1991 to (but excluding) 17th July 1991, the Notes will carry an interest rate of 12 per cent. per annum. The relevant in payment date will be 17th July 1991. The coupon amount per £10,000 will be £299.18 and per £100,000 will be £299.18 Earning the foundation of the first payable will be £299.18 and per £100,000 will be £299.18 Earning the first payable will be £299.18 Earning the first per £100,000 will be £299.18 Earning the £100,000 will be £100,000

Hambros Bank Limited

Prices for electricity determined for the purposes of the electricity pooling and sectionary arrangements

Salomon inc

Notice

to the Holders of Hong Kong Doller Warrants Issued

by Salomon Inc to purchase shares of HSBC

Holdings pic (formerly to purchase shares

of The Hongkong and Shanghai Banking

Corporation Limited) (the "Warrante")

which should be read in conjunction with the Previous Notice, serves to amend the adjustments referred to therein to take account of a previous capitalization issue of The Hongtong and Shanghai Beniding Corporation Limited, notice of which was given on 18 May 1990.

These adjustments, which are necessary to reflect the reorganisation of the HSSC Group referred to in the Previous Notice, are such that, with effect from 8 April 1991, every four Warrants entitle the holder thereof to purchase 1.1 shares of HSSC Holdings pic (the "New Shares") at an aggregate exercise price of HKS25.69. Accordingly, given that Board Lots in respect of the New Shares will be 400, this will require 1,455—Warrants to be exercised for each Board Lot of 400 New Shares. Taxong In New Shares Form 8 April 1997 (settl 8, bit 1907 (fire "Interior Bandon")

in New Shares from 8 April 1991 until 8 July 1991 (the "Interim Period") may also take place in Board Lots of 100 New Shares; this will require

363 Warrants to be exercised for each Board Lot of 100 New Shares. For administrative convenience, Salomon has determined that the Board Lot

for trading in the Warrants will be 1,800 Warrants and, in the Interim Period, may also be 400 Warrants. Warrants may also be exercised in multiples of a Board Lot of Warrants. Accordingly, credit will be given to a Warrantholder, pursuant to the provisions of the Warrant Agreement

from the exercise of Warrants whose aggregate number is not an integral multiple of 1,465 or, in the Interim Period, 363.

A supplement to the Warnert Agreement will be executed to confirm the edjustments summarised in this Notice and the Previous Notice and to

NOTICE OF REDEMPTION

To the Holders of

Extendible Notes Due 2011

General Electric Credit Corporation

(now known as General Electric Corporation)

The foregoing Corporation is of attitude of Guteral Electric Contrares, U.S.A.

NOTICE 15 1 20 SI CIVEN that pursuant to the province of the p

Couparts which have assured prior to the Redemplian Date should be detected, price unincidenced for payment in the usual manner information to the Properties of the United States Internal Revenue Service (IRS) and only be required to payment on any Notice or coupper which is made routside the United States if made to a U.S. person circumstances. U.S. holders who are required to provide their correct temptyer identification near form W.P. and who tail to do so may also be subject to an IRS person Accordingly, please p appropriate conductions when protocoling the Notice or couppers for payment.

Slough Estates plc

Notice holders 2150,000,000 6 per cent.

Convertible Bonds 2003 ("the Bonds")

18th April, 1991 Slough announced an by way rights of Convertible Redeemable Preference shares of 25p

each in the capital of the company which are expected to be provisionally allotted to desired ordinary the in the

capital of a company the register of members on 7th May,

As a result such issue and in accordance with the terms of

the Trust Constituting the lit anticipated that an

adjustment may be required to the conversion price

at which the are convertible into Ordinary and

that such adjustment (if any) will become effective III III about

If holders exercise their conversion rights in relation = the

Bonds prior to 6th June, 1991 and after 7th May, 1991, they

will be entitled to issued with difficulty ordinary

if the adjustment (if any) to im conversion price had been

Dated 19th April, Land

made immediately after 7th May, 1991.

Chase Manhattan Bank Lubernbourg, S.A. 5 Rose Pibells L-233s, Lumusbourg Grand

RENERAL ELECTRIC CAPITAL COR

6th June, 1991.

upon presentation and surrouse. It supplies that the paying agence he presented, the annual of the masure.

ng to excess Warrents, in respect of all excess w

erence is made to the Notice given to the holders of the Werrents in Financial Times of 4 April 1991 (the "Previous Notice"). This Notice,

#### UK COMPANY NEWS

# Rights issue benefits lift Albert Fisher to £45m

ALBERT FISHER Group, the acquisitive fresh produce distributor and food processor, reported a 47 cent dvance in pre-tax profits, from to £44.98m, for 11 to end-February.

Excluding the sechange movements and acquisition underlying profit growth just the percent.

At a carnings per share level, in rise was held to be per cent 15.18p to 17 per to (1.5p).

The group's to 115p on the announcement, although analysts there are disappointment with

no disappointment with the numbers. Sentiment shares affected recently by the sudden departure of Mr Keith pool, the sudden the sudden American operations. His departure the tion that he personally owed Polly Peck International, the failed trading group, over \$10m relating to a share deal done by a company he ram.

Mr Tony Millar, executive chairman said the group was

chairman, said the group was looking for a new chief execu-tive for the US business. The figures benefited from interest receivable of £9.85m

rights launched just lar's judgment in hiring him

before Christmas 1989. The group has net cash of £55m, but this is expected to be spent over the second half. Europe was the best per-

with Germany and the Nether-lands providing good growth. 125
Fresh produce operating prof-its rose 22 per cent to 26.5m 120
and food processing and distri-bution was up 42 per cent to 115

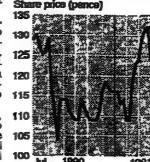
North American profits fell, in steriling terms, from \$12m to \$10.1m as recession and the Gulf War III. includes catering in hotels

The group took a £3.7m write down after tax on its 24.2 per cent stake in Pacific Agriculcent state in Pacine Agricul-tural Holdings. PAH owns land in Cadiz, California, with its own water supply which was the developed for growing produce, int for which there

I COMMENT

Albert Fisher has: his share of bear raider inspired rumours but the Brackpool incident has to be put down as mistake by fair measure. Sentiment has turned against Brackpool was thought vital to

Albert Fisher



has been called into question. There is also some concern that a large acquisition is com-ing, though Mr Millar retains his reputation for not overpay-ing. These lears do not remove the underlying argument for Fisher that the fresh produce market is one of the fastest growing areas in the food industry, but is still highly industry, but is still highly fragmented. The group should make £83m pre-tax £74.4m) for the full year, giving a prospective pie of 10.6 and a yield of 4.5 per cent if the full year dividend rises 15 per cent. The rating has come down from the group's glory days, but the shares may remain under a

#### Kwik Save acquires 42 Gateway stores

By Roland Rudd

KWIK SAVE, the discount food retailer, yesterday announced the £26.5m acquisition of 42 Gateway Foodmarkets from Isosceles, the group formed to buy-out the complete chain in a £2.1bm lever-

aged buy-out in 1989.
The price paid for the shops, based in the north-east, is more than double their estimated net asset value of

Mr Graeme Seabrook, chlef executive, defended the premium on the grounds that it would have normally taken up to seven years to have bought so many new shops in communities where Kwik Save does not have a significant presence.

He was also pleased to have "taken out a competitor."

It marks the first sizeable acquisition since Kwik Save bought the Victor Value stores in February 1968.

in February 1989.

Isosceles had indicated last year that it would keep its Gateway stores in the north a deal to sell Wm Low for S12m however, terday that only larger northern and was delighted to Kwik

The acquisition than I in more than 700. pany, which is opening one new store a week, was looking for more buying opportunities in the Midlands and south-

A further 27m has been put aside for the year to install computer scanning and to convert 32 of the stores into Kwlk Save outlets and 12 into the Lateshopper format. They will be absorbed into the network over the next two

A Gallop opinion poli commissioned by the impany showed in the shopper was most concerned by the location and in part of goods in

All of the acquired Gateway stores were trading profitably. Borrowings were used to fund the acquisition resulting in gearing in single figures. Goodwill is to be written off to

#### David S Smith asks for £50.7m to refinance Kent milt

By Maggle Urry

DAVID Smith, inrgest paper-maker in the UK, yester-day launched 550.7m rights ment in mill in Kent. The issue, on a 1-for-4 basis

at 295p, was well received by the stock market with the shares unchanged at 360p. shares unchanged at 360p.

The issue was accompanied by a forecast of pre-tax profits of not less than £23.5m (£26.4m) for the year to end-April, much in line with analysts' expectations. The company also promised a final dividend of 6.75p

(6.5p) to give a total of 9.5p (9.25p). The Kemsley mill was bought for \$10.6m in 1989 and since then the group has spent upgrading and increasing capacity of two paper machines there. Smith had always said the purchase always said the purchase long-term investment which

Mr Richard Brewster, chief

executive, who is leaving the company at the end of this month, said that so far the investment had been funded from cashflow, despite poor trading conditions. However, it now seemed a good moment to raise equity capital to refin-

ance it.
A further 524m is expected to be spent on the mill to to be spent on the mili, to bring capacity up to 350,000 tonnes a year compared to 170,000 at the time of acquisition. The total cost of the mili will be substantially less than it would have cost to build the same capacity from scratch.

After repaying debt of £37.7m, the group will be left with some cash.

Mr Peter Williams, E Brew.

replacement at Smith looking to expand both organically and by acquisition. Mr Brewster said businesses had been somewhat held tack because of the heavy invest-ment M Kemaley.

#### Havelock Europa ahead but warns on outlook

By James Buxton, Scottish Correspondent

HAVELOCK EUROPA, shopfitting group manufacturional shareholders insisted on the installation of a new chairman and chief executive in 1989, substantially increased pre-tax profits to £1.5m in 1990. But Sir Lewis Robertson,

chairman, warned of a failing order book in a "cold and unhelpful climate" for shopfit-ting. That would have an adverse effect on profits in the first half of 1991 although there should be an improvement in the second six months.

Sir Lewis said he now regarded Havelock as having been restored to health under Mr Hew Balfour, chief executive. Pre-tax profit compared with £312,000 for the 36 weeks to December 31 1989, and 252,000 in the prior full year. He said that Havelock's cus-

tomers, which include retail groups such as Boots and Marks and Spencer as well as TSB in the financial services sector, had proved more resti-

ient than the average. The group benefited a reduction in borrowings from £3.55m to £1.15m over the year. Although the order book finished 1990 at a strong level it had not been fully maintained since then, and there was some

pressure on margins.
The Hovelock Technical Services subsidiary was closed during the year which meant an extraordinary provision of £352,000.

Mr Balfour mil Havelock almed become market leader in department fitting, wanted reduce seasonal profit variations by expanding further into fitting financial services premises and expected shortly to announce co-operation, with NCR, which makes self-payice

NCR, which makes selective banking equipment.
Group in 1990 were (£32.79m). Earnings per share came to 5.8p (1.6p) and the final dividend is 2.1p for a total of 8.6p (2.5p).

which markets thermonlastic

bearing technology, were

only were prof

The put has adopted a

core in an attempt in an attempt the 31 cont in in pre-

vious financial year. Gearing

at the half-year was 74 per

afacturing business for — £1m — book — — — is currently in talks on — —

At the end of March it sold

#### Henry Barrett plummets by 96% to £272,000

INTERIM PROFITS the industrial fastenings, Henry Barrett Group, the steel services division and BNL. and industrial products company that grew rapidly in the 1980s through acquisitions, plummetted 96 per cent as it was hit by the sharp downturn in the UK construction indus-

Pre-tax profits for the six months to February 28 fell from £6.46m to £272,000, on turnover down to £57.43m (267.8m). The profits fall com-pares with a 96 per cent increase in the previous half year on turnover ahead 75 per cent.

Mr James Barrett, chief utive, sain be group had hit by a sharp decline in turnhit by a snarp decime in cons-over and profit margins, partic-ularly in the steel buildings division, where a 29 per cent fall in turnover was the largest.

among all divisions.
As the economic climate in the UK deteriorated, profit margins for the industry fell in line with a 30 per cent decline in the selling price of build-ings. The group's design and build business was especially hard hit and while productivity

was significantly improved this could not completely offset the fall in profit margins.

Lindapter International, a manufacturer proprietary

Lurmark reduced gearing | 62 per cent. There has the au improvement in order brane in the second half with the Don Reynolds curtain walling business

currently enjoying a record order book in sum of £12m. "We fundamentally that the worst is over," Mr Barrett White group a downturn it has able in increase market share reflecting weaker positions of competitors. He, nevertheless, conceded that the group would

#### not vigorously analysts' forecasts fin FRONTRUNNER!

Sicav 672, Rue de Neudorf L-2220 Findel

R.C. Luxembourg No. B. 31442 NOTICE OF MEETING

cholders of Frontrumer I, Slotte, are hereby invited to attend the annual general meeting which will be held on April 29, 1991 at 10.00 a.m. at the registered affice, with the following

AGENDA: Submission of the reports of the Board of Directors and of the Authorised

Approvel of the belance sheet and the profit and loss

Discharge to the Directors and the Authorised independent Auditor in

respect to the carrying out of their duties during the flacal year ended December 31, 1990.

Section of the Directors and the Authorised independent Auditor.

The shareholders are advised that no quorum for the herns of the agenda is required and that the decisions will be taken at the majority of the shares present or represented at the Meeting. Each share is emissed to one vote. A shareholder may act at any Meeting by proxy.

Shareholders wishing to attend the Meeting are requested to notify Frontrumer Management Company S.A. by April 23, 1991 ale the latest. By order of the Board of Directors.

Frontrumer Menagement Company S.A. 672, Rue de Neudorf L-2220 Findel Telephone: +352,43687265

Telefax :+352,439352

# Tie Rack throttled by US side

TIE RACK, he specialist retailer, is moving to tighten its grip on its loss-making US operations in the face of a lunge in pre-tax profits. In the 53 weeks to February 3, profits tumbled to £51,000 compared with £1.76m for the previous 52 weeks. Turnover was down 8 per cent to £53.8m (£58.6m) while operating prof-

The reorganisation of the US operations, line operating increased in £1.23m (£1.19m), it is not bringing it directly under UK supervi-sion in the hope that this will help stem the losses there and improve overall profitability. Mr Roy Bishko, the chairman who led Tie Rack's rapid expansion in the late 1980s, admitted that the group had over-extended itself after

its fell 36 per cent to £2.06m

going public. In most of its main markets it was faced with aluggish con-sumer activity. The difficulties of its US operations, which have been in loss for the three years that the group has been in that market, were exacerbated by local management problems and the weak dollar.

The group is closing its US

warehouse, handling distribu-tion directly from the UK and bringing the US shops under direct UK control. Administration is being merged with the Canadian operation.

UK business was also hurt by the economic downturn and the impact of the Gulf war,

which reduced sales volume at airport shops by 20 per cent in the first months of this year. Turnover in the UK declined to \$22.69m (£36.37m) and operating profits fell to £3.5m (£4.24m). In the UK the com-

pany was further plagued by problems with certain franchisees. The lower profits figure included an exceptional item of £444,000 relating to debts of its franchisees. The group has had to terminate its contracts with to terminate its contracts with eight franchisees where trading had deteriorated to the extent that payments for stocks were not being made.

Buoyant business in France helped European turnover rise to £4.72m (£4.5m). Operating profit, however, fell to £1.22m (£1.25m).

The group has made efforts to control costs and cash by

reducing borrowings by 23 per cent to 26.3m, capital expendi-ture by 77 per cent to 2900,000 and stock holdings by 17 per cent to £10.8m.

Losses per share were 1.88p (2.42p earnings). The final dividend is passed (0.285p), making nil (0.75p) for the year:

# Adverse exchange rates check advance at Whatman

PRE-TAX profits growth at Whatman, the specialist paper and filtration equipment maker, slowed to 7 per cent during 1990.

To £11.02m (£10.28m), achieved on reduced turnover of

party attributable to the disposal of the Whatman Air Filtration business. In spite of recession in the group's main markets, sales increased in all regions, except the UK, by an average of 9 per cent. Profits were particularly affected by a 20 per cent increase in marketing and product development. Capital expenditure exceeded £10m and acquisitions £500,000.

exceeded 210m and acquisitions 2500,000.

The company said this benefited the Laboratory division's mail-order business, while improvements to plant and new product development capabilities in the US strengthened the Fifter Systems side, which extended its range of air purifica-

A significant in in advanced papers buoyed Speciality
Products division, where costs were temporarily increased by the design of a new
paper machine, which should lift future

growth in Japan and France.

paper machine, which should lift future capacity by a third.
On earnings per share up from 30.74p to 33.1p, the final dividend is 5.25p for a total of 7.75p (6.25p). The shares rose 3p on the day, closing at 453p.

tion units and achieved notable sales

#### **NEWS DIGEST**

#### Wilton in agreed bid for Cowan

WILTON GROUP, involved both in investing and dealing in property and shares and in specialist restoration soury, launched COWALL IN

At the same time Wilton also announced a limin into losses of £1.08m (profits £822,000) for 1990, on turnover

Wilton already owns 7.4m ordinary shares (29.3 per cent) in the toys, electrical compo-nents, hardware and household goods company and is offering six new ordinary shares for every Cowan ordinary, valuing each Cowan at 15p and the

whole company at £3.8m.
It is also offering one new 11 per cent cumulative preference

> SOGEN FINANCE LUXEMBOURG S.A. JPY 10.000.000.000 7 1/2 % Variable edemption Amount **Guaranteed Notes**

due 1993 Notice is hereby given that the closing price of the Nikkel Index on the tenth NKI business day preceeding 28th April 1991 was 26,425.19.

Therefore the redemption nount as of April 26, 1991 for accordance with condition 5 (d) will be JPY 65,135,686. THE PRINCIPAL

PAYING AGENT

SOCIETE GENERALE

ALSACIENNE DE BANQUE

LUXEMBOURG BRANCH

share for each Cowan 10.5 per cumulative preference

In 1990 interest payable and similar charges reduced Wil-

similar charges reduced Wilton's pre-tax line by £1.56m (£452,000) and losses per share emerged at 0.26p (earnings 0.16p).

Mr Michael Buckley, chairman, said that a main factor in the decline in profitability was Wilton's investment in Cowan. A takeover was a "practical commercial solution," given that so much of Wilton's management resources had been agement resources had been spent on Cowan's affairs.

#### Aviva moves back into the black

Aviva Petroleum, the Texas-based oil and gas company, swung from losses of \$715,061 to profits of \$739,061 (£416,000) pre-tax for 1990. Sales rose om \$5.78m to \$12.29m. Profits benefited from a cur-

rency gain of \$2.1m (loss \$1.42m) and net interest income of \$980,000 (\$350,000 charge).

After deducting tax of \$1.55m (\$80,220) and adding in extraordinary income of \$1.15m net earnings emerged at \$537,390

#### (losses \$795,281). Increased loss for Molyneux Estates

Molyneux Estates showed an increased loss, from £149,000 to £287,000, in the half-year ended

Mr David Lewis, chairman, said that the figure took into account rising income receivable and also a deficit of £191,000 (£59,000) within the Overgate Centre associate, pending substantial rent reviews and new lettings.
These were expected to begin
coming through in the next
financial year.

to £18.7m an annual cost of about 22,46m. Current net receivable, including Overgate and reviews from March 25, was estimated at £2.31m annually. and the current rental value was put at £3.5m arising from reviews and reversions

Turnover rose to £909,000 (£613,000) and losses per share came to L47p (0.82p).

#### Higher bad debts bite into Cradley

Exceptional charges held back pre-tax profits of Cradley Group, the lithographic printer, to 2710,000 in the half year ended December 31 1990, against 2759,000. Before exceptionals profits

rose 61 per cent to £1.03m on turnover ahead 48 per cent to £14.42m. The results were much in line with the second half of last year when invest-ment plans began to come on stream, said Mr Donald Jordan,

Exceptional charges com-Exceptional charges comprised: bad debt provision £281,000 (£130,000) and reorganisations costs £69,000 (nil), less surplus on sale of assets £34,000 (£251,000). Mr Jordan sald there had been substantial closures of magazine titles and a consequential increase in bad debts.

The restructuring in South Wales had been completed. Management of the Hertfordshire company had been restructured although much needed to he done to obtain an adequate return.
Earnings per share came to 1.4p (1.5p).

#### Parambe falls to £112,000

Taxable profits of Parambe, an investment company and art dealer, fell from £130,972 to £112,308 for 1990.

#### **Barlows slips** to £415,000

vious year's 82.2p.

alightly turn-over, Barlows, the property investor, saw pre-tax profits fall from 1000000 to £415,000 in 1990. attributable profit

of lp is proposed, making a

1.55p (1.5p) total. Earnings per share dropped to 1.1p (1.64p).

At the year-end net per share stood at at 63p - a 24 per cent decline on the pre-

dropped from £1.17m to £763,000. plus up to £517,000 (£44B,000). Earnings 1.23p (1.36p). The dividend is again 2.475p

#### Scruttons shows decline to £1.87m

Scruttons, which operates port, shipping, engineering and other service businesses, saw pre-tax profits fall from £2.23m to £1.87m in 1990. Mr Richard Gardiner-Hill

chairman, regarded the result as satisfactory against a background of temporary problems related to the London terminal The three service divisions increased profits. In the current year the group had started well, and again higher profits were expected in

the service divisions Turnover rose to £22.72m (£19.66m). There was an extraordinary charge of £336,000 relating to repairs at the Victoria Deep Water Terminal. | will be

wholly or partly out of action until September.

The shares are traded on a matched bargain basis. Earn-ings were 28.7p (36.1p) and the dividend is again 15p.

In a reference to finance, Mr Lewis said total direct and indirect indebtedness currently An unchanged final dividend

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#### FINANCIAL TIMES FRIDAY APRIL 1991

#### UK COMPANY NEWS

Littlewoods

THE LITTLEWOODS Organisation, the privately-owned retail and football pools group,

yesterday raised pre-tax prof-its by 46 per cent from £64.9m to £94.8m in 1990.

This increase came in spite of only a marginal gain in turnover from £2.26hn to

mail-order operations which achieved trading profits last

year of £53.5m (£51.7m) on sales of £933m (£957m).

was short of asking price

Mr Desmond Pitcher, chief

Littlewoods had asked

Mid-States soars

Reflecting a full-year contribution from its principal operating subsidiary in the US, 1990 pre-tax profits at USM-quoted Mid-States, the automotive parts distributor,

soared from £215,000 to £5.27m. The increase was

struck on turnover almost quadrupled to £41.88m. A final dividend of 2.25p

makes a total of 3p - 0.75p was paid for the nine months to December 31 1989.

Borrowings Hardanger Properties at the end tember totalled com-

pared with the group's gross assets of £134m. The asset fig-ure was incorrectly stated in Thursday's paper.

PRST AUSTRALIA PRIME INCOME INVESTMENT COMPANY LIMITED

issued by MORGAN GUARANTY TRUST

COMPANY OF NEW YORK ice is hereby given to the share

that: Payment of coupon number 30 of the international Depository Receipts will be made in US delites on or after April 22nd, 1991 at the rate of us\$ 0.0857 per ordinary

- New York, 30, West Broadway - Brussels, 35, Avenue des Arts - London, 1, Angel Count - Frankfurt, 4446 Mainzer Lands

The dividend is not subject to any Australian set. The Beigian withholding tax will be applicable to IDR holders presenting their coupons to the offices of the Depository the appropriate non-Beigian realdent certificate.

As depositary:
MORGAN GLIARANTY TRUST COMPANY
OF NEW YORK BRUSSELS OFFICE

BANQUE NATIONALE

Rate Notes 1985/2005

The amount of interest for the interest period beginning on 17,10,90 and 446-ing on 17,04,91 an fixed by the reference agent will be USO 3,895,40 per USO 100,000 notes being a rate about 7,3655 per cent.

J P Morgan

Hardanger Props

Correction

By David Churchill,

Leisure Industries

Correspondent

£2.87bn.

Accounting changes have marked impact on profits for the year

# Lep advances 22% to £29.4m

LEP GROUP, the distribution, property and security services company, achieved a 22 per cent increase, from £24.09m to 229.4m, in pre-tax profits for

Mr John Read, chairman, said that there was scope for further improvement but it was a creditable performance.

Trading since the year-end had been below expectations, but he remained "cautiously optimistic" on prospects.

The results were affected by a charge in account of the country of the cou

a change in accounting for the discount on a seven-year bond issued in 1988 by St Paul's Vista, Lep's vehicle which owns Swiss Bank House in the City of London. This is now being amortised through the profit and loss account. The effect in 1990 was to depress

Banco Bilbao

director quits

now move to sall its Hambros stake, though it has not com-mented on its intentions.

mented on its intentions.

Last week Baltica, the Denish insurance concern, sold its 14 per cent interest in Hambros, whose two main shareholders are now Istituto San Paolo di Torino, the Italian bank, with 14 per cent, and GRE, the UK insurance company, with 10 per cent.

pany, with 10 per cent.

Although some of the stakes were taken up for defensive

reasons, the emergence of the single European market in the late 1980s gave a greater logic to cross-border ties and inter-national banking business; but analysts have increasingly greationed the value to Hartis

**Next departures** 

Three Next directors are

resigning from the retail group to join Grattan, the mail order business recently acquired by Otto Versand, the German

retailer, for £165m. Mr Peter Lomas, finance

director since 1987, will be

Grattan's finance and com-

puter services director.

Mr Michael Bottomley, who

pre-tax profits by about £1.63m profits of £6.6m (£10.5m). and earnings per share by 0.8p.
Against this, a switch in 1990
to average exchange rates had
a positive impact on the pre-

a positive impact on the pre-tax line amounting to £1.3m and on earnings to 0.9p. Operating pure from distri-bution, which comprises freight forwarding and automo-tive activities, moved ahead to £23.26m (£13.9m). Mr Read said some £4m of that arose from an acquisition in Germany. acquisition in Germany.

He said National Guardian, the US-based electronic secu-rity business, achieved a 14 per cent rise in dollar terms but, owing to the weakening US currency, starling operating profits were curbed to £25.74m (£24.77m). The company made 31 acquisitions during the year. Property produced operating

the year-end. However, that included some 279m of non-re-course debt relating to St Paul's Vista, taken onto the balance sheet after changes

introduced in the 1989 Compa-nies Act. Taking that out, it was about 120 per cent. Earnings rose to 16.5p (13.7p). The final dividend is lifted to 5p for a 7p (6p) total.

• COMMENT The £1.6m bond amortisation charge came as a surprise to Lep followers yesterday, but even stripping that out these results were seen as just a touch disappointing. Freight forwarding looks, on the face of it, to have put in a strong performance but much of the

organic growth is really turnround. That said, Lep would appear to have come through a difficult period in fairly good shape. This year, factoring in the gains that the dollar has already made, the assumption that there will be a start to was about 120 per cent.

Earnings rose to 16.5p activity in the Gulf will pick up, the company's pre-tax prof-its should edge a bit higher to about £32m. Given the progres-sive dividend policy, and assuming investors can live

assuming investors can live with the gearing, the shares look modestly rated on a prospective p/e of about 8.5. The trouble is the 27 per cent stake owned by ADT will confuse the until of Mr. Michael affairs

#### W Greenbank bolsters defence

Hambros' board WALKER GREENBANK, commercial wallcoverings brought forward amouncement of a near-12 per cent increase in pre-tax profit help its against challenge from help largest shareholder.

Aubin, the Jersey-based holder of 27.4 per cent of the equity, has requisitioned an EGM for April 26 which will consider the appointment of five non-executive directors. David Lascolles, MR ENRIQUE Mas Montanes, the director representing Banco Bilbao Vizcaya on the board of Hambros, the London merchant banking group, has recipred

resigned.

BBV has owned 5.6 per cent of Hambros since 1986, the stake intended to be part of a network of relationships

network of relationships among European banks. But Mr Chips Keswick, Hambros' vice-chairman, said yesterday that ties with BBV had "languished" because of other preoccupations at the Spanish bank. He stressed that relations were still cordial.

It is expected that BBV will now move to sail its Hambros Walker has described the move as an attempt "to take control on the cheap." Its share price gained another 1p yesterday to close at 70p, giving a market value of 264m.

In the year to February 2 1991, taxable profit rose to 27.96m (£7.12m) although an important factor was a switch

important factor was a switch from £2.52m interest paid to £1.07m received.

The group's disposal programme helped turn net debt Turnover fell in minut Walker's change of tack,

which involved the sale of 18 businesses in 18 months for just over £30m, followed the puncturing of Sir Anthony Jol-liffe's efforts to build up a con-glomerate. "Accounting irregu-larities" were discovered at the

larities" were discovered at the Alkar shop-fitting subsidiary in 1988 and the shares shed about 40 per cent of their value.

Aubin started buying in mid-1989, when the price range was 100p to 133p. The October crash brought it down to a low of 44p. By the end of the year Aubin, which has admitted that it originally hoped to make an agreed bid, had just over 8 per cent. Aubin wrote to shareholders

earlier this week criticising Walker's management for rebuffing potential offerors, selling businesses for question-able prices, having the wrong approach to European distribu-tion and moving "upstream"

into manufacturing.
It said the proposed independent non-executive directors would "provide an effective review of and challenge to Mr Charles Wightman, chief executive of Walker since Feb-ruary last year, said the UK recession had affected sales at the core wallcoverings business, which saw pre-tax profit slip to 27.41m (27.59m). A signs business that had been taken off the market fell back to \$538,000. Head office expenses were more than halved at 2352,000.

The sale of loss-making busirne sale of loss-making num-nesses meant that a non-core loss of £1.21m was replaced by a £354,000 profit; but the previ-ous year's £820,000 in from not repeated. It and provisions relating to the produced in extraordinary charge

extraordinary charge
2899,000.
Since the year-end, Walker's
cash has been spent on buying
Bryant, one of its suppliers,
which will cost up to £9.3m. Mr
Wightman said profit from that
business would be more than
double the interest less.

Requires per share rose to

Rarnings per share rose to 5.55p (5.1p). An increased final dividend of 1.9p makes a total of 3.1p (2.75p).

#### Vivat returns to the black

Vivat Holdings returned to profits and the dividend list in 1990. The casualwear retailer reported pre-tax. profits of \$2.650 against \$1.50. Earnings were 8.3p (losses 2.8p) and a 0.5p dividend is proposed. Turns fell to \$103.700 (\$108.510) questioned the value to Ham-bros of its shareholding rela-tionships, and the distancing of RBV will add to the impression that their impact on profits is

Litigation with Chelses Man continues and Vivat has made a £1.8m extraordinary provision for legal costs.

#### **Ouicks** in loss

Quicks, the Manchester-based motor distributor, dropped from profits of £4m into a pre-tax loss of £850,000 in 1990. The total dividend is halved to 3p. Turnover rose from £230m to 2338n. The loss was after an exceptional charge of 22.34m.
Losses per share were 3.1p (earnings 19.3p). The final dividend is 1p (4p).

came in via Next's merger with Grattan in 1986, and Mr John Wallis, also on the mail order side, are also moving.

#### Anglo-Park plans merger

ANGLO-PARK plans to merge with fallow property group St James Estates via an agreed offer of 19 new ordinary shares for every 30 St James ordinary not already held. Anglo-Park acquired a 21.9

Turnover fell to 2516,000 and gross provisions of 2518,000 against book values of developed and investment properties and a incurred a loss of further £115,000 written off

Hillsdown Holdings, the food group, yesterday placed its 19 per cent stake in Wickes, the DIY retailer and timber group. The sale of 50.5m shares raised \$27.4m for Hillsdown, writes Maggie Urry.

against revaluation reserves.

Damage was also inflicted by a provision of £342,000 against the investment in St James. This is related to a write-down of the value of the latter's property in Oxford Street, London, following a professional valuation. The matter is the subject of Higation.

The interim dividend is out for every 20 20.

not already held.

Anglo-Park acquired a 21.9
per cent stake in St James in recent weeks and the offer is for the remaining equity.

It also announced yesterday that its losses jumped to 21.17m (£58,000) in the first-half to December 31.

The interim dividend is cut to 0.5p (2p) on losses per share of 12.5p (0.7p).

Turnover fell to 2247,000 (£165,000) and gross profit came to £3,000 (£165,000).

For the year St James

Littlewoods had asked Kleinwort Remson to advise it on the possible sale of the mail-order business.

Mr Pitcher said that a possible sale was only being considered "to ensure that adequate funds are available to expand the rest of the company's activities". The Moores family, which controls the company, is determined that Littlewoods should remain privately

should remain privately owned and consequently lahaving to finance through the sale of some If no buyer in found for the mail-order division, then "other avenues if financing our growth" would be explored, said Mr Pitcher.

#### Hillsdown places Widkes stake

were unchanged yesterday at 60p as were Hillsdown's at 261p. The shares were sold at 54½p spiece to SG Warburg Securities which placed them with

#### Wm Low shrugs off consumer Retail side underpins spending decline with 9% rise 46% jump to £95m at

WM LOW, Dundee-based In retailer, yesterday announced an 9 per cent increase, from £10.49m to £11.42m, in pre-tax profits for

the 28 weeks to March 16.

Mr James Millar, chairman and chief executive, said that operating profit had been maintained at £11m despite only one new store opening and additional costs in distribution and information technology. information technology.

The downturn in consumer spending had hit the small older stores but had only had a mar-ginal effect in the majority of its outlets, he

The £37.9m rights issue last December helped eliminate borrowings and net interest receivable totalled £403,000 (payable £590,000). Mr Millar said the results showed how crucial the rights issue had been in funding the group's development programme, "Our decision to be one of the first companies to tap the market for cash - criticised by some at the time - has been vindicated," he said.

ated," he said.

Mr Millar said the group was only interested.

in expanding through organic growth. It had in expanding through organic growth. It had made two abortive attempts to expand through acquisition, including a plan to buy Gateway's northern stores from Isosceles, some of which were sold to Kwik Save yesterday for £26.5m.

Low is using the cash raised from the rights issue to open more stores over the next two years. It has a large schedule of committed new openings which will add at least 155,000 sq ft by September 1992.

The group incurred significant additional

The group incurred significant additional costs from the setting up of the new multi-temperature Livingston depot, which was recently

perature Livingston depot, which was recently brought on stream, and the programme to upgrade the information systems. This affected the operating margin which fell from last year's 6 per cent to 5.6 per cent.

The group expects trading to remain static during the remainder of the year. Turnover rose to £198.45m (£185.05m) and fully diluted earnings share edged up to 13.5p, compared to 12.88p. The interim dividend is raised in 2.7p

#### C&S asks for share suspension

£2.37hm.

Pre-tax profits for the company's retail divisions rose from £73.2m to £83.6m on sales rising by just over 3 per cent to £1.73hm.

Profits from the pools operations, however, were only up to £17.3m last year from £17.1m in 1989.

Littlewoods is still undecided about the future of its mail-order operations which

CENTRAL & Sheerwood, the engineering and property development group headed by Mr Robert Maxwell, the media magnate, has asked for a tem-porary suspension of its shares, pending an acquisition announcement. The shares were suspended yesterday at

C&S reported a 15 per cent increase in pre-tax profits to £2.94m (£2.55m) for 1990. It also announced that it was withdrawing from its property

development businesses, The suspension of the shares was described by Charterhouse

Bank, its financial adviser, as "entirely a precautionary move and not on the back of any rumour or speculation."

The rise in profits, achieved in spite of the adverse economic climate in the UK, came on the strength of the group's exports to continental Europe, which constitute 70 per cent of turnover. The entire turnover.

turnover. The entire turnover, up 6.6 per cent to £53.17m (£49.87m), and the bulk of the profits, came from the engineering division, where profits rose 53 per cent to £3m

low-cost accountancy software small firms, benefiting into networking software, while recurrent revenues from soft-

companies to maintain profits depended to a large extent on the level of demand in other

The property division suf-fered from the downturn in the UK commercial property mar-ket and was not able to make any external property sales at acceptable prices, he said. The decision to cease property development vities came in the an of a substantially lower property profits of £134,000 (£714,000).

Earnings per share increased to 0.62p (0.54p) and a final dividend of 0.01p is recommended Mr Maxwell the dend of 0.01p is recommended the group's engineering making a total Letter (0.1p).

# Diversified Sage grows 29%

AN IMPROVEMENT, from 31.3 Desmond Pitcher: 2400m per cent to 33.1 per cent, in operating margins pushed Sage Group, the computing company, in record pre-lan profits of 23.02m in the six months Mr Desmond Pitcher, chief executive, said yesterday that no negotiations were currently taking place for the sale of the division. An approach for the mail-order operations had been made to the company earlier this year but the £400m offer had fallen "significantly short" of Littlewoods' asking price. March 31.
The pur cent increase

The part cent increase from £2.34m came on sales up 17 per cent from £1.11 to £7.8m. Rarnings per share rose £4 per cent to 11.38p (9.65p). The interim dividend is raised 15 per cent to 2.7p (2.35p).

The company, whose core business is the provision of

ware maintenance, computer stationery, consumables and training have reached 33 per cent of total sales.

Mr David Goldman, chairman, said the company had

accounting software in the accounting software in from 39 per cent by volume in 1990 to 55 per cent this year.

selling well in Europe, although the US subsidiary, while more than doubling sales, suffered a slight loss.

Sage is paying \$18m (£10m) for DacEasy, a loss-making US accounting software company, and on the basis of good first quarter results believes it will contribute both to sales and present profits this year.

pre-tax profits this year.
While Mr Goldman was cautious about second-half results he said that sales in the first few months of the year had become noticeably more con-

Networking products were

#### Pay of Beoker chief rose 85% to £0.3m in 1990 By Maggle Urry

MR JONATHAN Taylor, chief executive of Booker, the food distribution and agribusiness group, saw his pay rise 85 per cent to £331,459 last year.
However, the previous year he had suffered a 25 per cent pay cut in £178,791 even though the group achieved

Booker "we operate a proper incentive scheme". Up to 60 per cent of his salary can be made from bonuses linked to growth

higher profits and earnings per share in that Mr Taylor said

from bonuses linked to growth in earnings and profits. Last year he received virtually no performance-related pay. In 1990 pre-tax profits rose 21 per cent to £119.7m and earn-ings were 12.9 per cent higher at 41.9p. Total pay for the directors was £1.6m (£1.1m).

**DIVIDENDS ANNOUNCED** 2.476 5.65 11 0.1 3.35 2.6‡ 6 7.75 0.75 1.5 6 7 June 7

Dividends shown pence per share not except where otherwise stated, "Equivalent after allowing for scrip issue. 1On capital increased by rights and/or acquisition issues. \$USM stock, \$For 35 weeks. \$\$\frac{15}{25}\$ months. \$\$\frac{15}{25}\$ months.

#### **BOARD MEETINGS**

ment appears as a matter of record only



#### **OSSORY ESTATES PLC**

#### PLACING AND OPEN OFFER

206,756,039 new Ordinary Shares of 5p each at LIp per share

**PROPERTY ACQUISITIONS** 

BANK OF IRELAND **CORPORATE FINANCE LIMITED** 

advised on these transactions and underwrote the Placing and Open Offer

Brokers to the Placing were Paribas Limited



**BANK of IRELAND** 

CORPORATE FINANCE LIMITED

#### STATE LOAN OF THE KINGDOM OF HUNGARY 71/2% (Now 2.75 per cent) Sterling Bonds 1924

thereon will cease:

52612 EVII 52825 EVII 2000 EVII HAVE 53068 53200 EVIII

59860 59929 59973 60085 60094 60096 60342 60346 1 60631 60667 ML 1 1 1 1 1 2 2 1 62363 1 62367 63347 63373 63482 63525 63896 1 1 1 1 64026 54151 64112 64117 64117 64628 64705 64717 84111 63347 63373 63482 63525 63896 LULI 64026 LULI 64026 LULI 65037 65095 LULI 65127 LULI 65139 65226 65258 65380 65382 LULI 65490 65496 65523 65531 65535 65620 65731 LULI 65731 LULI 65734 LULI 65793 65802 66079 66160 LULI 66457 66495 66495 66595 66620 66677 LULI 66706 66923 LULI 65731 LULI 65731 LULI 65731 LULI 65731 LULI 65733 65802 66079 66160 LULI 67525 67829 68312 68450 68651 LULI 68761 68763 LULI 68785 LULI 68889 68957 68958 LULI 69052 LULI 69123 69238 69288 69291 LULI 68761 68763 LULI 69426 69432 69462 69681 LULI 69746 LULI 69859 69877 69900 69920 69954 70007 70022 LULI 70086 70106 70113 70172 70323 70397 LULI 70451 LULI 70451 LULI 70572 70581 LULI 70597 70702 70792 LULI 70980 71017 71251 71302 71340 LULI 71484 7144 71484 7147 71516 71532 LULI 71516 71532 LULI 72697 72712 LULI 73904 73957 74401 TULI 74105 74123 74161 74165 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74603 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74603 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 7405 74123 74663 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74603 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74603 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74661 74667 LULI 74165 TULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74661 74667 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74603 74631 74657 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74661 74667 LULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74661 74667 LULI 74165 TULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74050 74123 74661 74667 TULI 74196 74226 74396 74966 75007 75031 LULI 75100 75105 75114 TULI 74105 74123 74661 74165 TULI 74196 74226

Each of the above bonds when presented at the office of Barclays Bank PLC for redemption must bear the coupon dated 1st May 1992, and all subsequent coupons. The amount of the missing coupons will be deducted from the principal to be repaid. Special listing forms can be obtained on application.

The interval of four clear days will be required for examination.

NOTICE IS HEREBY GIVEN that the Coupons due 1st May 1991 from bonds of the which have been assented in London to the 1968 Offer, may now be lodged with Barclays Bank PLC, listed — the special forms

The usual interval of four clear days will be required for examination.

168 Fenchurch Street, London EC3P 3HP 19th April

Notice is hereby given that a Drawing of Bonds of the name loan took place on 11th April 1991, by Mr Michael Jeremy Upsall, of the firm of Wallson & Upsall, Notary Public, when the following bonds, which have been assented to the 1968 Offer, were drawn for redemption at 110% on 11 May 1991, room which are all

BONDS OF £1,000 NOMINAL CAPITAL EACH
50667 50686 50757

42 BONDS OF £500 NOMINAL CAPITAL EACH

280 BONDS OF £100 NOMINAL CAPITAL EACH

Numbers: 54059 54061 54080 54385 LIFE 54597 54742 LIFE 54919 54932 54964 55537

55066 LIFE 56356 LIFE 56356 LIFE 56356 56847 57041 57091 LIFE 57243 57312 57427 LIFE 58045

18794 LIFE 58734 LIFE 58734 5737 59026 LIFE 59318 LIFE 59476 LIFE 59494 59520 59575 59582

331 Bonds amounting a Reliant nominal capital.

Witness: Michael J. Upsall, Notary Public.

which can is obtained on application.

BARCLAYS BANK PLC STOCK EXCHANGE SERVICES DEPARTMENT

# EC fisheries ministers fail | Squeeze on zinc at LME | American citrus producers set up network to agree on conservation

By David Gardner in Luxembourg

EC FISHERIES ministers yesterday deferred until July getting in grips with the measures the European Commission believes are needed to conserve fast-dwindling stocks of white fish in the North Sea. They did, however, agree to set up a community-wide statistical register monitor the quantities of fish landed by

each member state.
It was the third failure to reach a compromise unincreasing net main sizes, in order to allow immature cod and haddock, in particular, to escape, since last November. Last November, the commis-

sion presented independent scientific evidence to support its claim that more than 90 per cent of fish stocks in the North Atlantic were being me It also presented

claiming that there was a) per cent over-capacity in the EC fleet and called for conserva-Mr David Curry, UK fish-erles minister, confirmed that

Britain was going ahead with

From July all boats over 400 horsepower will be obliged to have a square mesh panel in their nets. Mr Curry that "these unilateral measures need to be communi-

More than a third of the UK's North Sea and west of Scotland fleet have opted to

This is in exchange for a on the minisrequiring tesses in those areas of the North Sea with a concentration of immature cod tie of in port for eight of the Danish fleet has also opted for this trade-off. Commission officials, minis-

and fishermen's organisa-tions all that consider-able cheating has gone on. If, at the end of the year, catches are little mosted by the sup-posedly wider nets, fishermen's main objection to the measure main objection to the measure

that their incomes would be
stasted — will — little
weight and the commission's
hand could be strengthened.

Fishermen's leaders lobbying yesterday's meeting expressed frustration at the piecemea introduction of measures consequent on ministers' failure to reach agreement. Mr Willie Hay, president of the Fishermen's federation. We all agree there is a need for conservation measures, and we should them and apply them to the whole com-

munity fleet." The commission has suspended negotiations with Namibia to reach an agree-Manuel Marin, EC fisheries commissioner, blamed the south-west African country's seizure of five Spanish vessels for illegally fishing in its

The talks were at ■ low ■ sion official said was Namibia's sion official said was Namidia's failure to outle up with "a reasonable offer" on rights.

Spanish officials at yesterday's meeting said her authorities had opened proceedings against to vessels from Spain for illegal fishing in the South Atlantic

This was well below the \$20 a day maximum informally agreed between the LME exec-and Metallgesellschaft, the German group which, with the physical metal available for April delivery. MG's LME ring dealing substituting and li-clients undertook to keep the market liquid by making metal available reasonable

is over, say

By Kenneth Gooding,

Mining Correspondent

THE WORST of the extreme squeeze on the London Metal Exchange zinc market is over,

traders suggested last night,

but some fears remain that the

upheaval may have damaged LME's and drive

zinc prices down to unneces

The issue is important the LME became the dominant basis for world zinc

pricing last year when nearly all the North American zinc

producers switched to using

the exchange as a reference point for contract discussions. Most big producers elsewhere in the world switched in 1989.

borrow zinc for lamellala delivery for one day, which

soared to more than \$100 a tonne during on Monday after-noon, fluctuated between zero and \$8 a tonne.

Yesterday the premium to

traders

sarily low levels.

After the cost of borrowing After the cost of borrowing zinc for a day collapsed to zero, there was talk among traders that a deal may have been done outside the market by MG and the main investment fund victim of the squeeze, said to be the Californian-based Mint Fund, which is 50-per-cent-owned by B.D. & F. Man, the London trade house.

An official said MG's trading subsidiary had not been involved in any such arrange-ment but he could not speak for other companies in the MG

Some zinc market users said LA LAN executive should have taken formal action 🗷 limit the daily premium to \$20 a tonne, rather than relying on diplomatic pressure.

diplomatic pressure.

Producers expressed concern that the high price of metal for immediate delivery had encouraged a flood of zinc into LME warehouses. The arrival of nearly 15,000 tonnes was reported on Tuesday, taking LME stocks to \$3,125 tonnes, little short of the highest level for seven years. for seven years.

Zinc for immediate delivery closed last night at \$1,215.50 s tonne, down \$67, while three-month metal was down \$28 at 1,162. This meant that the backwardation (premium for cash

metal over forward prices)

narrowed to make a limit having been as high as \$240.

WORLD COMMODITIES PRICES

Alexandraum, 99.7% purity (8 per tonne)

CITRUS producing countries in Latin America and the Carlbbean, as well as the US, yesterday set up an inter-regional network to promote the exchange of expertise and information to improve citrus production.

The 23 countries aim to duct joint research programmes in areas such as pest control, the development of disease-resistant strains and the climatic adaptation of different citrus. They will circulate information on plantings, harvests, exports and world demand which they hope will producers in their marketing and invest-

The network was formed at a meeting in Santiago sponsored by the III Food Agriculture Organisation (FAO). Mr

Kerry Mulherin, deputy director of FAO's commodities and trade division, believes there signs that surpluses are emerging in the production of certain citrus fruits.

"Expansion plans could aggravate the situation," says Mr Mulherin, "which is why it is so important to have up-to-date information to allow countries to assess their pro-The network will compile a list of experts in help countries improve techniques in plant

propagation, production meth-ods, disease control and posthandling.

the network

"could effectively use the limmanpower in finances
available to a critical

unsolved problems of citrus production in the region".

The countries in the network produce more than half of the world's annual citrus production of some 65m tonnes. They are also responsible for 24 per worldwide fresh citrus exports and 70 per cent of proexports.

The members are adamant the group will not be a precursor to a trade pact. Mr Mulherin said: "We want m encourage co-operation at the technical level, which is far to achieve than at the

"The general mood in the world today is not in favour of trade cartels." The Brazil delegation, however, argue that the group should tackle trade barriers within and outside the

region.
US imposes [2301]
of and and on

tonne of Brazilian citrus juice that reaches Florida," said Mr Juse Carlos Goncalves, president of the Association of Brazilian Fruit Juice Industries. This amounts to 58 per cent of the fold value of citrus juice before it leaves the port of San-

before it leaves the port of Santos." M. Goncaives added that the European Community slaps a 19 per cent tariff on Brazilian citrus exports.

As the world's biggest citrus exporter, Brazil will be coordinating the network's economic and trade groups. Mr Goncaives says Brazil intende to work towards opening new to work towards opening new markets and reducing tariff

The second the control of the expertise in citrus production. will co-ordinate the network's research and technology trans-

# Loud clash over tin rights

Victoria Griffith on a Brazilian courtroom battle

N A stuffy courtroom in the jungle town of Porto Velho last week, Justice of the sided over a case described as "Brazil's big-time mineral com-panies try to oust small-time miners from gigantic in

The fight was over the mining rights to Bom Futuro, one of the tim reserves in the world. Its outcome could The question W whether the mine will remain in the hands of the "little guys", pover-ty-stricken human hunters with no regard for international supply, or the large mineral concerns which would control output to boost prices

on the world markets. The battle is between the Garimpeiros' Production Union and Ebesa, company held by conglomerate of big oil companies. Paranapanema, the mineral giant, has a 49 per stake in the group, hich sims to take control of the area. If it succeeds, Brazil's tin produc-tion would drop sharply. On April 9, the judge decided

the miners' union would need to show more evidence to sup-port its claims to the area. Par-Hanan, a director at the com-

pany.

The continue the "We have small-time miners to work fall even further.

a duty to defend our interest against monopolistic and rupt forces," said Mr Dirceu Almeida, the union's lawyer. Mr Hanan is counting on victory to lift sagging tin prices.
"I predict that with the demise Brazil's small-time miners, tin prices will hit \$6,200 by 1992," he said. He bases his claim on a prediction that tin

consumption will consumption will consumption will consumption outhas been trying kick Bom Futuro's garimpeiros out for three-and-a-half years, but the miners have stayed mrt. Now. Ebesa's luck may be turning, not because legal success, but changing circumstances. From a peak of 20,000, Bom Futuro's os now number less

than 1,000.
Market observers say that with the price of tin at its lowest level a real terms since the Second World War, many have simply decided it is no longer worthwhile

Second. . differential owner. Brazil's official and black market exchange rates has narrowed, from 100 per cent last year to about 10 per cent. The change has deprived anapanema prematurely cant. The change has deprived the garimpeiros of the huge exchange rate profits they previously made on smuggling.

Bom Futuro. Three years ago, garimpeiros pulling the metal out of reserves two to three metres below the sub---Now, most of the tin reserves lie some 12 to 15 metres deep. The Brazilian government has also done its part in pushing out the miners. The garim-peiros' lack of concern for the environment provided welcome

ammunition. "The garimpeiros cut down the and pollute the rivers indiscriminately," and Mr Carlos Borba, economist at the minerals division of the ministry il infrastructure. Paranapanema's Mr Hanan also said the miners only suc-ceed in extracting 50 per cent of the metal from the rock,

whereas the company can take out 85 per cent. The government last year enacted two new laws to give the garimpeiros a shove. First, none of the tin production from Bom Futuro could be ported. As Brazil consumes lit-tle tin domestically, that gave

the miners no legal market. Second, the government required that the in leaving Brazil must be accompanied by origin, with has curbed amuggling.
Bom Futuro's output is

mine produced 17,000 tonnes of tin, compared with 32,000 in its

0000A — London POX

Previous High/Low

#### By Robert Gibbens in Montreal AN ALBERTA magnesium than tonnes daily. Alberta components, as an alloying agent in aluminium and as a de-sulphurising agent in steel-Natural Gas, a US-owned pipe-line company, invested CS64m in the project and the Alberta

New Canadian magnesium smelter closes

smelter with capacity for 12,000 tonnes of metal a year and a cost of nearly C\$200m (£97m), has been shut only six months

after start-up.

The plant interest technology based on a British process to produce high-purity magne-sium metal from magnesite ore. This involved a one-step reduction
be more efficient at technology used by the work's
producers, Norsk Hydro and

Magnesium metal is used in dis-casting and construction

making. The western world used about tonnes last year, produced by Norsk in Norway and Casas in Texas, and also by Aluminum Company in (Alcoa) and Magnesium Corporation

The recession and low ity in the car industry pushed prices down from III a pound \$1.10, roughly in line

The Magcan plant, near Cal-

government lent C\$103m. ANG owned 54 per cent and Magne-international (Canada). 46 per cent. ANG has now written off its investment Alcoa was originally associated with Magcan but dropped

out letter controller began saying it wanted to concentrate investment on its alumin-lum smelters. In 1990, ATIL moved in hoping to diversify its pipeline business.

Industry sources say Magcan

prod high-purity metal for the alloy market but the pro-cess was new and it misjudged the time required for start-up. The drop in magnesium prices, high interest rates and a high dollar, worsened the

Mr William Demcoe, ANG vice-president, said the new plant did not produce enough metal approach break-even and his company had no choice but to close it.

Norsk Hydro opened a \$500m smelter near Montreal late in 1989 with m yearly capacity of

#### SA gold producer suggests | ways to stimulate price

Philip Gawith in Johannesburg

DEMAND-LED to the debilitating profit squeeze on South Africa's gold industry proposed yesterday by country's main gold producer. Mr Clem Sunter, chairman of at Anglo American, said that a doubling of gold consumption for jewellery over the next four years was "the only way out" of a stagnant gold price. He calculated that if jewel-

lery consumption doubled from current levels of about 1,800 tonnes a year to 3,600 tonnes, admiri purpu and assuming world production of about 2,000 tonnes per annum. demand double supply.

World demand for jewellery grew by about 300 tonnes in both 1988 and 1989.

Mr Sunter said the industry was by looking at itself only as a producer. He said it should pay closer attention to the cus-tomer. "We are going to have in promote ourselves and of trouble," he all

gold producers the the World Gold Council, the interworld Goin Council, the inter-national which pro-motes the consumption of gold, should be increased, perhaps being linked to the gold price. A tightening of the world market would encourage central banks to hold on their gold, said Mr Sunter.
Mr Sunter highlighted action on the supply side to improve

the industry's outlook: Curbing cost escalation Anglo American wants to keep its costs per kg of gold pro-duced flat for two years. Better use of the limbs such as higher speed transport underground, cutting ore than blasting it and improving metallurgical recov-

Improving requestille closely based on contribution. Better management systems, with key decisions taken at the mine, not at head

The trend towards area controuble," ha III tribution accounting, treating

#### US agriculture secretary 'optimistic' on EC reforms

MR EDWARD Madigan, the new US agriculture secretary, in expressed "optimism" about the outlook for agriculture policy reform measures in the EC.

this week, he said preliminary reports indicated that it might be "some time" before reforms

However, the reform effort had led to more constructive attitude on the part of the EC negotiators" in the Uru-On the domestic front, the secretary predicted that US

farm exports would decline in the 1991 fiscal year to \$37bn (£20.6bn) from some \$40bn last This was partly due to increased production abroad. He also pointed to potential

reductions in imports in large markets such as the Soviet The sector's balance sheet is showing healthy improve-Farmland values rose by

showing moderate

Total farm debt fell from \$193bn in 1963 to \$134bn. As a the debt-to-asset man stood at 10 per cent in 1990, lower than it was in 1990 and substantially lower than the 23.9 per cent level in 1984. Although some producers were still experiencing threats to their farms, the sector as whole bad recovered from the

severe stresses of the 1980s, the secretary said. Commodity prices are expected to be only itself lower than last year. States of wheat

and dairy are expec-ted to rise.
Livestock and pouliry output is climbing, but market condi-tions likely to make favourable for hog and cattle

Farm income is likely to be "relatively stable" in 1991 with net cash income forecast in the \$53bn-\$58bn range, compared

to \$58bn in 1990. Net farm income may drop alightly to the \$42-\$47bn level as a result of lower crop prices and higher input

#### **MARKET REPORT**

Gold fell below \$360 a fine ounce on the London bullion market yesterday, while silver finished below 400 cents a fine ounce after sharp early falls on Comex, where May silver fell nearly 15 heavy liquidation by computer-managed funds and speculators. Heavy commission and fund liquidation York sugar Minus image In early trading, By midday Till Ballon July Berlingt

#### **London Markets**

ib. Detirus will reports of a loosening III supplies spurred the fall. Despite = denial = Australia, US = using deal could = In

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai Blend Brent Blend (Jun) W.T.I. (1 pm est)	\$20.60-0.65u	-0.45 -0.55
Oil products (NWE prompt delivery per h	orine CIF)	+ or -
Premium Gasoline Gas Off Heavy Fuel Oil	\$248-248	+1
Naphtha Petroleum Argus Estimates		+6
Other		+ or -
Gold (per troy cz) 4 r troy cz) 4 (per troy cz) Palladium (per troy cz)	\$357.60 398.5c \$404.25 \$99.65	-3.15 -5.5 +2.90
Aluminium (free mar Copper (US Producer) Laad (US Producer) Nickel (free market) Tin (Kuala Lumpur Tin (Kuala Lumpur	\$7420 114c 33c 418c 14.84r 256c	+25 +1 <sup>3</sup> 1 -1 +3 +0.16
Zinc (US Prime Western) Cattle (live weight)†	12.94p	+0.83*
Pigs (live weight)†	88.5Bp	+0.18
London daily eugar (raw) London daily sugar (white) Yate and Lyte export price	216.4t \$280.0t \$228.5	-2.6 -0.5 -1.0
Barrey (English feed) Maize (US No. 3 yellow) Wheet (US Dark Northern)	1987	
Rubber (May) P Rubber (Jun) P Rubber (KL RSS No I May	51.00p 51.75p 228m	
Coconut (Philippines)s (Mataysian)s (Philippines)s Soyabeans (US) Cotton "A" index Woottops (64s Super)	\$300r \$315e \$215x £152.5 83.50c \$42p	-0.5 +0.10

£ a tonne unless otherwise stated, p-pence/kg. c-cents/fb. r-ringgli/kg. q-jul t-Apr/May u-Jun.

x-Jul/Aug. s-Apr/Jun. 1Mest Commission average latstock prices. \* change from a week sgo. ♥London physical market, §CIF Rotterdam. ♣ Bullion market close, m-Mislaysian cents/kg. jeopardy. In the LME copper prices the limit the day's highs, supported by further technical tness for May metal. Dealers said premiums for May metal had widened recently amid option-related covering concern possible disruptions and supplies.

Aluminium prices in from firmer morning in a by it is talk in the figures in today.

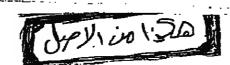
SUGAL		rom Reu	
	Close		High/Low
May Dec	176.80 178.60 180.60	187.60	186.80 172.60 188.00 174.00 187.00 175.00 187.00 180.00 180.00
White			FIGHT LOW
Mar May Aug Oct	249.4 254.4	260.0	276.0 282.8 252.0 260.5 260.0
	- Daw 3	200 (015) to	ts of 50 tonnell.
White 1	327 (640)		Aug 1682, Oct 1489
CRUDI	OL - I	ME	
	Lete	st Previo	us High/Low
Jun Jul Aug Oct IPE Ind	19.00 16.60 18.75 16.80 ex 19.57 er 7812 (1	19.17 19.08 19.09 19.61	19.35 18.95 19.07 18.75 18.86 18.76 18.80
	PE		\$Aonne
	Latest	Previous	HDgh/Low
May Jun Jul Aug	178.50 174.25 173.00 174.50 175.50 179.00 180.50	179.00 174.50 173.50 175.50 177.25 179.25 180.75 181.78	180.25 177.00 175.00 172.75 175.25 171.00 174.50 172.25 176.00 174.00 180.50 176.00 180.50 178.75 180.50 178.75
Sep Oct Nov Dec	180.50		100 tonnes

(80-90p). Chinese leaves from British are 70p-21,20 a head, cucumber 55-70p each (55-70p) and English and Dutch tometoes are 55-90p a to (50p-21,10).

	Sep Dec			70m em 73d 125		ì			
	Dec Mar	1	THE R	735 115		- 6			
	May	766 774	757 777	760 76° 775 77°	i				
	311	792	795	792 M	·	8			
	Turnovi	DIT 2949 F	lob i	iii torii	186	<u> </u>			
		ndicator		per 1	Dally	9			
	for Apr		100			- 1			
	COLL	X - Lon	doe FOX		E/tonne	-			
		Clase		High/Le	)W				
	100		577	578 566		1			
	Jul	696 617	696 615	899 590 817 606	?	9			
	Nov	838	910	917 000		-			
	Jan	668 664		661	1	- 5			
			684			3			
	J. Inc	Cestor or	ions (US c	enis per	pound) for 5 day sver-	- 1			
	PQ# 17	: Comp. (	taily 72.24	(72.63). 1	day aver-				
	ige 72	00 (72/2)	enden Fü		2/tonne				
			Des .	High/La		ī			
	May	841	130.0	MAIN I		1000 AACO			
	Mar	200	100	131.0		ē			
	Apr	PAUL	EKU	10.0	20.0	5			
	1	144	lots # 4	O tonnes		Š			
	COYAL	GAL - I	London FO	×	2000	7			
		-	1	High/Le	*	0			
	Aug	120.00	2417.0	120.00		-			
	Oct	E801		124.00					
Turnover 50 (100)lots of 20 tonnes.									
	ш.,	- Les	den PCX	\$10	/Index point	ã			
			1	High/Lo	NF .	\$			
		1565 1524	1592 1535	1606 15	224	5			
,	May Jul	1218	1235	12	18	8			
	Jan	1315 1325	1338 1338	1355 1355 13		1:			
			1338	1305 13		9			
		r 334	-			Œ			
	CRABL	5 - Lone	lon POX		£/tonne	_			
,	Wheat			High/Lo		ĸ			
	Jun	141.00	140.30	139.55 141.10 114.70	139.20	K			
	Nov	114,50	114.50	114.70	114.50				
;	Jen	116.00	118.00	1110		T			
	Barley			High/Lo	- N	A			
	May	100.00	117.65						
	Sep Nov	108.00 111.60	107.90 111.50	106.00					
:	Turnove		290 (183).	Reriev &	1905	14			
•	Turnove	r lots of	100 tonnés		1	14			
	PIGS -	London	POX (C	sah Settic	ementi p/kg	_			
•		Close	Previous	High/Lo	nie .	24			
	Apr	112.0	111.6	111.5	_	2			
-		114.0	100			_			
•	Jean Just	115.0	114.0	114.5 114.5 11	4.6	0			
	Aug	115.0	114.0	114,5	,0	55			
ļ		115.0	114,0	114.5		85			
i	_	115.0	114.0	114.5		<u></u>			
1			lots 🖬 3,25	0 🖷					
1	HOM -	- Londos	FOX			65			
•		Cicse	Prev.	High	Low Vi	70			
ī		154.23	155.62			8			

	A (E per	tonne)				_	Total	40	
Cash 3 months	1413-5	1378		MIN 14		AND IN	4004		
Lead (2 per		1900	-8				1391-2		102,123
	228-A	326-	,	320/329	-	28.5-0.0	10081 0	ially turn	Over 2,4
	Table 1	339-		342/340		41-1,5	HO III	M I	Been a
(\$ pe							Total d	lally in	2,0
	9010-5	9010		9010/90					
(\$ per to		9010	-	9025/90			9010-9		3,871 lot
	5500-5	6490	5	_		500-10	1000 6	ally 🖂	_
3 months	14		•	4	i	200-10	100		,301 mi
	l High Grad	e (S per	tonne)				de de	lly turno	ver IIII
	100	1280-		1194/11	1	225-93	44		
JE Closin		1100	-	110-0 (16		14	1165-7		lo
UT: 1.770	7	3 mor	the M	-	6	months: [	٧.	81	Months:
						_			
LOWER B	ULLION E				Ne	w Y	ork		
	plied by NLM		Collete						
Gold (fine o			£ equiv	mient.	BOLD	100 troy	02.; \$/troy	62	
Close	357.40-357					-		April 1	-
Opening	361.25-361	.76	200 arr		May		361.8	6	887.
Morning fix Alternoon fit	361.20 x 359.15		203.241 201.622		Jun		-	364.7	Q 359.
Day's high	357.40-357				Aug	305.3	366.6	367.3	362.
Loco Life M			Dates 6	15- 150-65	Dec	389.6	373.1	200	100
1 month	U.S. Cold L	6 -		An nesti	Feb Attr	378.2	376.4 379.6	376.5	372
5 mouths		2.4	=	20.00	Jun	379.8	883.2	381.0	=17
3	No.								
Silver fix	p/fine oz	ا	US cts	equiv					
Spot	232.45		412.10 418.05		PLATI	MEN SO 1	roy oz; \$/tro	DV 07	
arttnom 6			124,45			B		High/Lo	
12 months	- 1	•	438.30		Apr	394.0	402.8	401.5	
GOLD COR	13	_			Jul	398.0	406.6	410.0	394.0 396.5
(Prices supp	iled by Eng	etherd :	Metels)		Oct	-			213
	\$ price		î equi	valent	Apr	-	100	•	-
Krugerrand	200		202.25		Jul	10.0	422.8	414.2	604
Maple less	\$99.00-37 \$7.00-68		207.25						
TRADED C					SELVE	R 5,000 tr	oy oz; cent	RATON CST	
Akımbium (i				Pulis		Class	Previous	High/Lo	
	tonne May		200	May	Apr May	393.9 394.5	408.7 409.5	400.0 413.9	400.0 393.0
1300 1400	112 26	13 <b>6</b> 62	0.5	6	Jun		411.8		
1500	_ 1	20			التال حمد		414.4	=	24
Copper (Gra	de A)	Cells			Sep	411.5	419.4 426.5	430.0	417,0
2400	97	94	4	63	Jen	413.9	428.9	0	
2500 2500	27	50	34	117	Mar May	419.2 424.5	434.2 439.5	437.5 0	422.0 0
		24	7 80	189	Jul	429.0	444.9	ă	Ö
Coffee	38	Sep	Jul	Sep					
560	-	75	59	8	_				
900 950	3	41	104	24	HIGH		OPPER 25.		
***	1	20	152	53		Close	Previous	High/Lo	w
		Sep	_ Jui	Bep	Apr	111,15	110.50	111.30	111.0
	74	59	5 17	96	May Jun	111,40 110,60	111.00 110.20	111.80 110.35	170.4 109.8
500			45	25 46	إزاق	109.90	100.80	110.50	108.9
500 550	37 15	42			Alug	100.20	108.06	109.00	108.9 107.8
500 550 700	37 15				~~				
Coccon 500 550 700 Grand Crude	\$7 15	42 301	Jun	.hpt.	Sep Oct	108.50	108.35 107.85	108.70 8	0
500 550 700	37 15			Jul.	Sep		108,35 107,85 107,35 108,65		

	Price	6 Supplied	by Amai	oammen'	Metal Trading)	CSR	08 CO. D	iahn 49.00	0 US galls	2/herrei	- Ci	nicas	10		
٧٤٥	_	AM Officia			Open Interest	Only	Litters	Previou			- 🛂	III COL	,,,		
					ver 15,921 lots	May		21.71	21,46	20.05	-	-	,000 bu mi	r; pente/600	bushel
V141	đ	1415-6				Jun		21.30	21,07	20.60		8-	Previou	Healt	-
V144	0	1446-6	1440-1	_		Jul Aug	30.45 20.24	20.91 20.65	20.71 20.47	20.37 20.20	May		882/2	583/6	500/2
-	_		Total	-	lois		30.12	20.45	20.30	8020	Jul Aug	504/4 569/0	894/0 889/4	800/4	692/0
W140		A I	1391-9	1 1	102, 123 lots		20.04	20.31 20.22	20.14		-	603/0	601/0	604/4	597/1 601/4
					over 2,469 lots			1	20.04	19.90	Jun		612/0	6140	610/4
329		328.5-9.0				Jen Feb	19.91	20.09	19.95	19.86	Mar	-111	$\rightarrow$	825/0 636/0	822/4 834/6
340		3,1-13	100	in i					19.67	19.75	No.	642/6	642/0	844/0	(40)
			Total d	lally in the	2,078		Lame	2,000 US (	mils, cent		90Y/	WEAN OF	L 60,000 lb	e; conts/ib	
/900 /900			9010-2		J,871 lots			_	High/Lo			Close	-	High/L	OW
						340	5560 5500 .	8598	5520 5560	8520 5470	_	17.3	2.4	21.40	100
		5500-10				اندل	5505	5800			Jal Aug	21,57 21,32	21,58 21,78	- 1 -	21.55 21.74
					.301	Aug	-	5690 5760	6610 6740	5500 5705	Sap	21.97	21.02	22.06	21,90
_	_	day do	de	ily turnov	er la la		5800 5800	5850 5940	5825	5600	Deg	- 22	22.30	22.18 22.45	22.25
/1184		225-93	1165-7		fota	Deg	5980	9025	593G 6020	589G	Jan	22.4	22,40		
						Jan	5095	6050	9030	5995	Mar	22.	22.67		
_	6	months:	_	<u> </u>	nonthe: ETIM	-	76 TC	5930 108:3/tonni	5910	5880	307/		AL 100 tor		
			_				Close					Close	Previou	High/Lo	54F
_	Ne	W Y	ork			Mari		Previous			May Jul	170.4 173.5	170.5 173.9	170.9	189.5
	-	100		_		May Jui	1076 1103	1082 1112	1081 1114	1073 1100	-	4.78	1783	174.3	174.3
_	<b><del>-</del></b> 000	100 troy o				Sep Dec	THE		2.25	T PAR		176.6	177,4	177.7	176.0
_	-		201.0				1209	1182 1213	1180	1173	Dec	180.9	181.4	178.2	
	May		361.8	6	387.0	Just	1235	1240	1250	1237	Jen Mar	181.2 185.0	182.0 1185.5	6	0
	Jun		366.6	364.7	359.0			1282 500lbs; or	0	0				185.0 1/86To bushe	186.0
	Aug Oct	365.3	369.8	367.3	382.2	-	Close				. ==		IIMIA, COTTO	Nadro Diff.	н
	Dec Feb	389.6	373.1 376.4		372.5	May		Previous					254/0	-	-
T I	Арт	378.2	379.6	376.5	-	Jul	91.10	91.20	91.45	90.65 93.05	Jul	250/4	204/0		253/2 259/5
ı	Jun	379.8	383.2	381.0	=10	Sep	98.50	99.00		-	Sep	259/4		277.40	250/2
-								101.40	101.45	101.00	and the same			259/2	265/0
-						=		104,50	0	0	May	271/4	278/4	272/2	271/0
	PLAT	14 CO 14EE	oy oz; Sitro	y oz.		Sep	108.00	109.00	Ö	9	WHEA			276/0 a/608)-bush	275/2
		Comm		High/Lo	**	SUGA	H WORL	"11" 112,	000 lbe; ce	nte/lbs		Cione	Previou		
_	Apr	394.0	402.8	461,5	304.0		Close	Previous			May	277/2	280/4	High/Lo	
	Jul Oct	398.0	406.6	410.0	396.5	May	8.06	8.51	8.39	7,94	- 144	285/2	291/2	290/6	277/0
-	Jen	24	-		Man.	2	+	8.39 8.36	8.28 8.28	7.81		297/2 310/4	298/6 314/0	209/2 313/0	310/2
_	Apr Jul	200	422.8	0 414.2	<b>SOLI</b>	Mary .	7.90 8.10	8.36	0.25		Mar May		322/4	321/0	318/0
						Jul	2.10	8.44 8.88	8.15 8.35	5,10 8.35		322/0			ij.
						COTT	ON 50,000	Cents/lbs		0.30	LIVE	ATTLE 4	2,000 lbs; U	Table 1	
-	SE,VE	R 5,000 tro	y oz; certi	Łitoy cz.			Close	Previous	High/Los			Close	Previou	s High/Lo	
_	_	Class	Previous	High/Lo		May	98.48	85.32	88.04	85.60	Jun	19,423	80,37	80,20	79.85
_	Apr	393.9	408.7	400.0	400.0	316 (246)		86.44	BELFE	85.95	Aug	75.82 74.57	76.35	76.17	75.75
_	May	394.5	409.5	413.9	393.0	1884	17.46	75.57 71.22	200	75.77 71,20	Oct	75.97	100	74,67 76,05	74.30 75.78
	Jun Jun	= 7	411.8 414.4	===	-	Mar May	14		100	72_10	Feb	76.17			
-	Sep	40.0	419.4		1000	Jul	72.87		72.99	72.70 72.90	Apr			76.30	76,30
-	Jen	411.5 413.9	426.5 428.9	430.0	411,0	CRAN	GE JUICE		Centa/ibs	14.04					
	Mar	419.2	484.2	437.5	422.0		Close	Previous			CAR I	NFG5 30,0	00 lb; cent		
	May Jul	424.5 429.0	439.5 444.9	0	0	May	115.15	116.15			-	Close	Provious	High/Lo	w
_				_	-	Jul	115.10	116.75	116.00 116.30	114,90 115,00	Apr Jun	51.85	52.46	52,30	11/
-						Sep Nov	115.50 115.90	116.85	116.40	115.50	Jen	57.4 <u>2</u> 58.65	57.97 57.27	57.77	57.05
	HIGH	GRADE CO	OPPER 25.0	000 lbs; ce	mis/lb#		,	117.25	0	G	Aug	53.92	54.37	57.05 54.25	56.47 53.76
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-	Apr	111,15	110.50	111.30	111.06	REUT	295 (Ba)	a: Septem	ber 18 193	1001	Feb	47.62	48.40 47.80	48.25 47.70	48.05 47.55
-	May	111,40	111.00	111.80	170.40		Apr 18				Арг	46.20	48.40	48,40	46,20
	Jun	110.60	110.20	110.35 110.50	109,80 108,90	-	1727.5	1732,6	menth ag		Deter				
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-	Sec	106.50	108.35	108.70	107.80	=	Apr 16		31 1974 -			Close	Previous	High/Low	,
-	Oct Ngy	107.75 107.45	107,85 107,35	Ö	0 .	==			minth ag	yr <b>ag</b> o	May	61.62	63,06	63.06	61.55
	Dec	105.70	108.65	107.20	108,00	Spot Future	126,47 ts 123,98	126.27		- 0	Jud	59.92 57,00	61,40	81,40	59.65
	Jan	106.05	105,00	Q.	0	L.,				-	Feb	59.0g	56,45 50,67	55.55	66.80
											Mer			59.65	58.80





FINANCIAL TIMES SURVEY

# THE CANARY ISLANDS

Friday April 19 1991



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Victing by

Secretary

EC reform

r closes

With some 7m visitors each year. tourism remains the dominant industry for the islands. But

relations with the European Community and the effect on the Canaries' free-trade status will increasingly determine economic prospects, writes Gary Mead

# **EC** anomalies on the agenda

THE STREETS of Las Palmas, the capital Gran Canaria are more reminiscent of Latin America than mainland Spain Canarios – the inhabitants of the seven islands which make us the archipelago – speak a Spanish — might raise — sneer in Madrid, but would be perfectly in Mexico

City.

Indeed, throughout century II of Canarios have left their homeland in waves, had not for the hight lights to Barcelona but in Havana, Caracas, and Caracas, an Caracas, and Aires.
Under Libert Franco régime in
the 1950s, at least 150,000 Canarios, with Library railying
"Justice + Work - Venezuela", left for good.
To the least 150,000 Tenerife and Las Palmas crammed full of duivates.

mas, crammed full of duty-free electronic goods, cigarettes and spirits, are pure Montevideo, if slightly up-market. But the Canary Islands are part of Spanish national territory (although geographically closer North Africa), Latin America.

More significantly, the Canaries are now by definition part of the European Commu-nity, following Spain's acces-

uary 1 Wet in certain respects - particularly con-cerning agriculture and taxa-tion laws - the status of the islands' EC membership may still be tactfully described as

irregular.

The Canaries have managed to avoid being drawn into the Common Agricultural Policy and retain the distinct advanann recam the distinct advan-tage for tourist and resident alike of extremely liberal tax laws and duty-free import reg-ulations. The most important political issue for the islands is their future relationship with the EC, since that will largely determine economic prospects. These anomalies are more or less permanently on the EC's agenda, though Canarios look to Madrid to protect their privileges against the encroachments Brussels. One Tenerife's more touching road-side boardings depicts a tall-hound dismally stand-ing in the middle of a road. The dog is supposedly saying
"I wouldn't leave you — don't
forsake me". While Canarios
Tenerinos (islanders from Tenerife) are justifiably proud of their history and can be fiercely described of their status within the



The busy herbour at Senta Cruz de Tenerile: 🐸 📨 🖟 rivelry with Las Palmes de Gran Canaria cruz de split into two provinces

Spanish constitution, they are in the end supplicants at the Madrid court, hoping not to be forsaken by their much more Euro-minded mainland cous-

ins.

Canaries, though sraphically linked and constitutionally unified, are in fact two groups of islands which, over centuries, have conducted a battle — as yet finally unre-solved — for political ascen-dancy. Under the 1978 constitu-tion, the Canaries form one of Spain's 17 autonomous regions, with an elected government responsible for local affairs. But in 1927 the rivalry between the two major ports — Las Palmas de Gran Canaria and Santa Cruz de Tenerife – cremind a split into lum provinces,

The rivalry is either a matter ans (from the island of Gomof deep cultural difference or petty economic squabbling, depending on one's proximity to the quarrel.

Nevertheless, it is taken seri-

ously on ille islands, when there still exist animum!w partition of the islands into partition of the islands into
two autonomous regions, one
centred on Santa Cruz a
Tenerife, the other on Las Palmas de Gran Canaria.

To an autonomous disputes
between the two sets of islands
can seem sectorically remoter

can seem esoterically remote; but anyone riming to do busi-ness there directly beware of the price is a remarking of Canarios versus Tenerimos, and everyone against the butt of most local jokes, the Gomer-

The western province com-prises the islands of Tenerife, with the capital Santa Cruz de Tenerife; Gomera, La Palana la Luz, the largest port in

Plutarch wrote of Canaries II... they enjoy quence of the barely paragiti-ble change of the seasons". The name stuck, and for centuries they were known as the Fortunate Islands. But the irony is that the limits climate is both a benefit and a curse,

accompanied by abortages, particularly on Lanzarote

and Fuerteventura.

Paradoxically, the Canaries may be said to be fortunate to have survived and developed as successfully they have.

They flourish the to a for generating a contemporary The latest such many

is tourism, so that in spite of through emigration, the Canaries thrive on a regular influx of British, Scandinavian whom eventually put down resid Around 7m Larass visit the islands each year and have

Canaries was in 1972. Since then, Franco has departed democracy has returned in Spain and the country has oined the EC.

For the Canaries the inter-

displaced tomatoes and bananas La Canaries'

In early till century was

on the Canaries might still cost the unwary an arm and a leg,

Canarios any more than other communi-

The last FT Survey of the

vening 19 years have, economically speaking, been dominated by one phenomena and rapid expansion the tourist industry.

barren arid islands of archipelago have created vast and entertainment complexes for the package holidaymaker interested in an annual burst of sunshine without straining

IN THIS SURVEY

they face three disadvantages: the distance from

mainland Europe, the small and tragmented

community, and limited natural resources....Page

#The ports: Santa Cruz

de Tenerite and Las Pal-

mas 🕍 Gran Canaria are

crucial to economic III since the bulk 🗷 imports by sea ......Page 3

#Politics: mindians on

26 will be largely a ruling centre-right coalition and

the socialists...... Page 4

either pocket or curiosity. But that industry is now facing a crisis of some magnitude. Of the many issues facing poli-cy-makers on the islands, that of tourism and how best to promote it is uppermost in every-

one's mind.
Certain islands, such as Lanzarote, have been the subject of to pay a business call to Tenerife, where he attempted to capture Spanish bullion ship,
losing an arm in the
While today's man are
likely such
extreme what might be called construction barrages, intense cam-paigns to build fast and furious for the mass tourist market.

Others, such as Hierro or Gomera, wirtually unexplored and certainly unexplored tours markets, offering spectacular natural flora and fauna for a more upmarket transfer whose idea of a holiday. tourist whose idea of a holiday is more than two weeks by a hotel poolside. Tapping those additional resources must be one of the ways forward for ties, but simply the same still in process of the littles and eco-

# Tropical off shore



Canarian Fairs Institution "INFECAR".

he Canaries have special financial, industrial and commercial regime an institutional framework which can benefit the foreign investors who decide to install themselves in III Islands.

The "off shore" - Special Canarian Zone, contemplated in the basis of the (REF) Economic and Fiscal Regime, supposes fiscal advantages, such as almost nil rate of dime indirect tax, for foreing companies who wish up in the archipielago.

Second register of ships, which will allow it registering and manning their ships in the Canaries in enjoy the reduced for social curity payments, and personal income and well as being able recruit their with more flexibility.

The Canary I I considered the suitable munity M wich m introduce this second spanish register of Ill special unu in the treaty adhesion of Spain European Community, its distinctive onomic and I regime, geographical situation, its maritime tradition and lu geographical situation, III maritime tradition will be desire

to promote in register. Centre for contracting of curities. The principal object negotation of markets, goods and filler of securities excluding those quoted on official stock-exchanges markets. This will introduce III the Canaries . gold market through deposit certificates. The activity of

the market will be centred around refining of gold the jewellery industry.

For further information ap-

ply III Les Council of Economy will Commerce of the Government of **Em** Canaries, Avenida Juan XXIII, # 2. Las de Gran Canaria. Tel: 14 11 30, Fax: 24 77 05.

Regional In-

In legislation il Canarian Government has negotiated of the million pemillion pesetas.

The objectives of will type of incentive are: to managionalize investment from other countries, stiminvestment in general and generate employment,

Help for small and medium

This support the interest um of 16% . The Canarian Autonomous Governprovide a subsidy of 4 III 10 points III companies operating to which they belong. I have four The General Administration of Economic Promotion | negotiated a investment of ITUU million for some 1,000 firms.

Intercontinental Meeting Centre-

The manufacture of a Intercontinental Meeting Cen-tre in the south of the is under negotiation m the present time. It is a project of significant magnitude whose prime is to increase relations between Europe Latin-America. Ito be a meeting place for executives in the international area.

The Intercontinental Centre will have an area of 25,000 meters square of which IIII be used to limbs forty chalets, meeting mum restaurant, press rooms, service auguration of To Centre will the 12 th October 1992 coinciding with III V Cent-enary of III Discovery of

Universal Exposition Seville (Expo' III The Canaries will have a

Provides of an original desing which represents in Is-lands in In Expo' 92 Seville. A transparent metacrilic prism, surrounded by seven mobile rings and flanked by a 30 many sculpture. This pavillion is intended to prethe Canaries as a place for leisure, tourism and investments, in virtue of the special financial, industrial and commercial regime.

A seed of LOW million pe-us is being invested in the pavillion. The building will built with multin materials, advanced technology special effects, at III iIII of exposition it will disand transported archipielago.

Canarian Institution "INFECAR".

During the year, Canarian Fairs Institution welcomes a series of Edition with International

The International Fair of the Canaries promotes fundamentally in the African Market, all and of foods, footwear, agricultural and

industrial machinery, etc... The last International Fair of Fig. Canaries received 80,000 visitors. 'Atlantur' is prientated in in Tourist "Canagua' to International Meeting on Water, Energy in the Environment min the main monografic Exhibitions,

'Fercan', Exhibition of Birds, Plants, Flowers will in organized in January, 1992, in the Wall Championship of Ornithology C.O.M. and in February of 1993 the XXIII Olympic of Co-lombofilia. (Pigeon Show). 'INFECAR' is alm an important

conference and meeting centre for businessmen from Africa, America and Europe. Last December 'IN-FECAR' was the witness of a positive interchange of between governors and executives of the main banking entities of the African and Latin American con-

The Canarian Government, insular Town Hall of Gran Canaria, City Council of Las Palmas Gran Canaria, the Official Chamber off Commerce Industry and Navigation, Canarian Foreign Promotion (PROEXCA) and the collaboration of different Business associations and private businessmen, make 'INFECAR'

'INFECAR' I in Avda, de la Feria, I, in Las Palmas III Gran Canaria. Telefax: 41 17 10

LAS PALMAS DE GRAN CANARIA

tion of the Canary Is-lands (FIC 91). 23-28 April. 1991 VII International Conne Exhibition 23-24 June. 1991 Atlantur 91 Professional Exhibition of

9-13 October, 1991 Artison Exhibition December, 1991 XI World Omithology Championship January, 1992 Olimpic of Colombolilia. Pigeon Show. February 1993

SANTA CENT DE TENERIFE Il Meeting of computer and Telecommunications 16 October, 1991

Home and Construc-22-27 October, 1991 Agroconorias November, 1991 Regional Handicialis November, 1991

**GOBIERNO DE CANARIAS** 

Most investment has gone into services

# Tourist slump leaves economy exposed

with their bustling traffic, cramped pavements and lacksatmosphere remind one of any one of a dozen dif-ferent Latin American capitals. Unfortunately for Los Canarios, the island's 1.7m inhabit-ants, the economy, in spite of the success of tourism in the

European Community in 1986

the Canaries specifically

of the community's more important agreements, includ-

ing the common policies on agriculture, fishing, value added tax and customs rela-

tions - exclusions designed to protect and preserve

slands' free-trade status. If

local sentiment were asked to

consider which it distrusts

more, Madrid or Brussels, it would have a tough time decid-

But last December, the auton-

remarkable similarities III some of Latin America's

While the Canaries are far from falling prey to the Argentine or Brazilian plague hyperinflation, the islands have become too dependent on

TOURIST	VISITS,	JAN-DEC	1988,	JAN-	DEC 1989
Country		1948		1989	% variation
Austria		18,496	20	0,794	+124
Belgium		71,603		3,862	+32
Canada		1.105		1.349	+22,1
Denmark		103.917		7.276	-16.0
Finland		130.833		3,839	-9.2
France		116,724		5,400	-1.1
Holland		46.711		3.632	+4.1
Germany		365,582		5.900	+0.1
Ireland		6.748		,655	+ 13.5
Italy		126,821		2.684	-3.3
Norway		21,344		.521	-8.5
Spain		488.621		,815	+25.2
Sweden		102,009		,196	-0.8
Switzerland		18.215		488	+23.3
UK		883,358		948	+3.4
US		5.015		.666	-7.0
Other		16,552		,306	-7.5
Source: Centro de	investigacion	Economie y Social	de Camerie	(CIES)	

ism — as the prime source of income. Few Canarlos dreds of thousands of their pre-decessors who, in the 1950s emigrated to Caracas, Buenos Aires and Havana. But a grow-ing number of them face a distinctly uncertain

Mr Cayetano Gonzalez, president of the Export Club of the Canaries, says: "If the government does not do something to improve the social and economic situation then, without exaggerating, I think we might be in danger of a 'Carazco' here in two or three years from now." By a "Carazco", he means social upheaval along the lines of that which occurred in the Venezuelan capital Caracas in February 1988, when several hundred people died during food riots and mass looting. nd mass looting.
A familiar cry from Canarios

is that their economy is faced with three central disadvantages: the distance from main-land Europe; the small and



fragmented nature of the com-munity, split as it is between seven islands; and the isolated, limited extent of their natural While all those are true, the

situation has been exacerbated by what can only be called a "get rich quick" mentality of many of the islands' business community, which has seen way to quickly recover invest-ments with large profits.

What investment there has

been has largely poured into services, at the cost of

long-term planning elsewhere. Now that tourist figures have stabilised at between 5m and 6m visitors a year, the economy finds itself over-rich in ugly hotels and under-nourished elsewhere. ugly hotels and under-nour-ished elsewhere.

The problem is that of reces-

sion, which has damaged all Spain. But because the Canaries have almost nothing to fall back on after a stump in tourism, the islands are more exposed and have less chance of swift recovery. Tourism accounts for more than 70 per cent of the gross domestic

GROSS DOMESTIC PRODUCT BY SECTOR (Pts m) 1960 4.09 11,55 12.13 4.01 R3 934 80,544 165,727 Agriculture/lighting 80 453 5.31 11.76 202,590 187,272 11.95 10.26 118,764 160,713 11.58 118,872 842,335 1,267,252 146.627 73.99 1,000,285 iervices (inc tourlam) 1,754,458 100 1,592,526 1,357,280 180 100 Total GDP 1,138,426

	100	ORKIN	Q POP	ULATH	DM (,O(	)O+)			
	1961	1982	1988	1984	1985	1986	1987	1988	-
Agriculture (inc fishing) Industry Construction Services (inc tourism)	66.2 43.0 37.5 230.5	70.4 39.0 37.5 230.2	66.4 40.8 238.3	65.6 40.1 34.7 233.2	58.1 39.4 33.4 236.5	53.1 37.5 40.4 245.0	48.0 47.7 265.0	47,7 51.6	43.1 49.2 52.3 306.0
Total	379.2	377.1	302.5	373.8	<b>376.</b> 1	376.6	401.0	421,4	450.5

p t of the islands, the other 30 per cent divided between industry, the ports. petween industry, the ports, agriculture construction (whose fortunes are in turn closely linked to tourism). One of the main planks in the opposition socialist party's (PSC-PSC campaign for elections on 26 is a programme of public works construction, in order to sosk up the many

order to soak up the many unemployed building workers. The islands' industrial sector is very weak, being limited solely to manufacture for local consumption. The high cost of freight and the lack of any basic raw materials mean that prospects for developing any

ing and their outcome will

determine the future economic

One of the most important proposed changes is the cre-ation of a Canarian General

Indirect Tax (Impuesto General Indirecto Canario), similar to

the BC's VAT structures, but

which would operate at a lower

rate and at zero for a number of

and consumers of basic food

The Canaries' accession to full EC membership will be accompanied by an EC-directed

economic support programme, the "Programa de Opciones

Especificas de la Lejania e Insu-laridad de las Islas Canadas", or POSEICAN, which is designed to take account of the

from the rest of the community.

Despite the fears of many Canarios that full EC membership would lead to the end of many of their special tax privileges, the end of their successful harvane

ful banana export programme to a captive Spanish market and a subjugation to Machid's

dictates over local fiscal authority, it is now clear that by June – when the European Commis-

sion is likely to prunounce on the precise terms of the islands' new status within the EC - a

mitable compromise will have been reached. The islands' spe-cial tax regime will be suitably re-worded and subtly tinkered

with, and yet another crack in the supposedly "common" mar-ket will have been papered

As a sweetener to ease the growing pains, the director-general of economy and planning in the Canaries' government, Mr Jose Cristobal, amounced on April 10 that up until 1993 the islands will receive a total of Ptazes. 7960 april 1993 the property of the

items affecting small busine

and other necessities.

export-led industry are dim. Inflation during 1990 reache Inflation during 1990 reached 5.5 per cent, compared with 7.7 per cent in 1989. Overall growth for 1990 is estimated at 2.2 per cent (compared with mainland Spain's estimated 4.4 per cent) and projected at less than 1 per cent or perhaps negative for 1991 and 1992.

Perhaps strangely. UK Perhaps strangely, UK exports to the islands have not been affected by the local

In 1986 UK exports stood at 545m (\$79.65m) but that figure has more than doubled; the January-June 1990 figures alone were £58.8m (\$95.22m), a 13 per cent growth over the same period for the previous year. Only Germany has a greater value of trade with the islands.

The impact of recession is mostly clearly be seen in the growth of unemployment and social deprivation, an aspect of the Canaries which few of the sun-seekers ever have cause witness.

An officially-sponsored An officially sponsor report published at the beginning of April (Estudio sobre la Pobreza en Canarias) reported that 24.83 per cent of Landers that 24.83 per cent of landers
- some 36,000 people - live in
poverty (defined as monthly
income of Pta29,000 [\$278] or

Within that group, a further 7.46 per cent — some 29,000 people — live in extreme poverty, with monthly income of Ptal5,000 (\$144.23) or less. The European Community average

1981 18.4 19.7 24.0 26.8 1962 1963 1964 1965 1966 1987 93.4 117.5 26.7 24.4 22.4 1988 1989

UNEMPLOYMENT

for the first, broader category. is 14 per cent. Unemployment, hovering at the 21 per cent mark, is aim

5 per cent higher than the Spanish national average. While this is unlikely to spark Venezuelan-style social upheavals, it may help Presirepresentatives to score well against the centrist alliance in the incoming May 26 elections.
There hangs a cloud of uncertainty over the islands'

business community, which faces a decade of gradual eas-ing into full adhesion to the European Community, The Canarias opted to stand aside from many of the EC's regula-ms when Spain joined in That has been yet another mixed blessing for the islands; the Canaries' relations with Brussels are the subject of another article in this sur-

**Gary Mead** 

#### Canarios are wary of full EC membership, writes Gary Mead

# Pressures of integration

between the commission, Mad-rid and the Canarian autonomous government, some local businessmen have called for a referendum on the issue, which could - if ever staged and if it secured an anti-Euro majority secured an anti-Euro majority
— scotch the whole process.
But as it has been almost a
year since the first such calls
were made, without any real
sign of such a vote happening,
the chances of the Canaries not
becoming fully integrated into
the EC are alim.

The changes which are likely omous parliament approved legislation calling for full membership of the EC; the Issue is now being being debated in Brussels and is a subject of con-

siderable lobbying, report writ-ing and discussion. The changes which are likely to follow and which are likely The European Commission has drafted a set of proposals which will allow the Canaries a cost Madrid some Pta40bn (\$38.46m) - less than half of what the Canaries' autonomous 10-year transition period into government has requested - as In spite of the apparently suc-cessful three-way negotiations compensation for the supposedly deleterious affects they will have on the many scon-omy include: • free access for Canarian agri-

cultural produce to the market, but controlled imports of • partial membership only of the customs union, with a inyear staged integration with

common tariffs • special tariff norms for imports of products and goods defined as being of either basic or special necessity (including those from developing coun-

The proposal to tie the islands into a closer relation with the EC caused a political furore in early 1969, as a tax revolt on the islands proved a source of deep political embarment for Madrid during its six-mouth stint in the BC

The revolt control on the Cansties' local councils (Cabildos) refusal to support a 15 per cent reduction in import tariffs in line with the reductions on the Spanish mainland, as required of Spain following its admission to the EC on Jantrary 1 1986.
Although the Canaries were

exempt from many of the Treaty of Rome's requirements, they were nevertheless obliged to reduce import tariffs in order to meet EC regulations.

Nor was the islands' autonomore the content of the conte

mous government, under President Lorenzo Olarie of the Centro Democratico y Social (CDS) party, prepared to back down

and see the tariffs — on which the Cabildos depended for about we per cent of their income – substantially cut, an estimated Pialiba loss of local government

income in 1988. Canarios were already wary of the impact of full EC memership; local independent studies conducted in 1987 put the potential loss following from full EC membership at anything between Pts73.5bm and Pts100.8bm.

The fiscal fight between the Canaries and Madrid has eased, but it has given way to complex discussions on reform of the islands' special economic and fiscal status, the so-called Regimen Economico y Fiscal (REF).

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Tim "Junta" of the Port in Senta Cruz de Tenerife achieved satisfactory results in 1990, with a total turnover of 2760,3 million pesetas and a total merchandise traffic of 13.14 millon tonnes. Solid bulk was 964.718 tonnes; general merchandise was 3.4 millon tonnes; and unloaded fish ac-MIN a value of 157.7 millon pesetas. The provision of fuel and other materials amounted 1.15 millon I

A total of 14,671 vessels entered the port, making up 59.28 millon G.R.T.. The containers handled totaled 141.472 TEU. Some 1.9 million passengers passed through the port, as well as 110,300 cars and 31,477 buses. Liners visited the port 150 times, bringing a total of 73,500 passengers

The Junta's investment plan envisages a global expenditure of 15,000 millon pesetas in the coming years in order to 

The port is organized in terms of four commercial quays: 1) The Anaga Dock, which has facilities for the loading unloading of general merchandise, sheltered storage and refrigeration chambers for agricultural exports, two passenger terminals (one of them recently built), three transfer ramps in vessels and a supply dock.

2) The port of "Dock Le los Llanos" has two terminals for containers, two ramps for RO-RO ships, four open deposits with capacity for 20,000 tonnes of merchandise and a jetty for

supply and provisioning.

3) The Latter Dock has two container triningle, (one of the currently under construction and due to be completed by December 91), repair docks, a floating dyke and a mole for loading and unloading solids, grain and

The Fishing Dock has numerous refrigeration chambers, freezers, warehouses, workshops and naval repairs facilities. There are facilities for supply fuel, water, ice, groceries, and a centre providing social and medical services for

The key areas for development of the port of Tenerife in the future are related to increasing trade in; bunkering, transchipping, cruises, naval repairs and fishing.

# port grants - enough, perhaps, to sugar even the bitterest pill.

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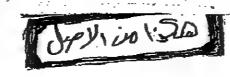
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ARRECIFE



# Ports provide that vital economic lifeline

THE Canary Islands depend on tourism for foreign earnings. but the two major ports -Santa Cruz de Tenerife and Las Palmas de Gran Canaria - are equally crucial to the economic life of the community, since the vast bulk of all imported. goods arrive by sea. Las Pal-mas is Spain's busiest port, and is placed fifth in Europe in terms of traffic handled Both are free ports and goods-enter

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To some extent the autonomous region of Las Canarias, which awkwardly sub-divides into the two separate provinces of Gran Canaria and Tenerife is handicapped by much of its central bureaucracy being handled by the central state from Madrid. This is particularly true of its ports, which are under the direct control of Spain's ministry of public Spain's ministry of public works. That ministry adminis-ters via two control boards, one for each province. But it is Madrid which dictates policy - and handling charges for visiting ships. Central government supervision of the container, repair and bunkering services means that although the Canaries' ports are free ports, charges are the same as in all other Spanish ports.
In spite of that disincentive, fishing fleets from Japan, South Korea and the Soviet

display signs in Cyrillic WHEN German Chancellor Helmut Kohl and Spanish Pres-Felipe Gonzalez

Language month, their discussions will centre largely on a water of men importance is their peoples — bananss. The is a may, for all that is known, is all bananas, hes the climans of their countries in not: Germans lime will them, and sell them

Union have made made both

ports their main international

bases. Shops selling an array of

duty-free watches, cameras and

her luxury goods commonly

The Canaries retain a monopoly over III Spanish market, an anomaly granted tham by the European Commu-nity but which is due to be phased out by 1996. Nearly all of the islands' annual banasa exports, which amounted to roughly 400,000 tonnes valued

throughout the port area of

There are well-advanced plans to make the Canary Islands Europe's latest offshore ship register, certainly before June 1991. Spanish shipowners and their professional organi-sation, the Asociacion de Nav-eiros Espanoles (Anave) have been lobbying Madrid for some time to permit such a new reg-ister, their complaint being the high cost of operating under the Spanish flag.
The interest of the Canary

Islands' government - which has been promoting the new register - is obviously related to its attempt to find ways of continuing the growth in the islands' shipping industry. The ship owners stand to benefit from the low tax rates of the new register (from zero tax ratings upwards), and reduced social security contributions. Spanish seafaring unions intially fiercely opposed the new register idea, but have since been mollified by an undertaking that the Canary register will permit the contracting of

#### LAS PALMAS

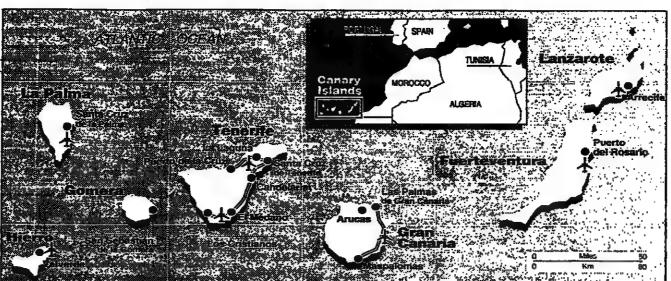
European crews only.

There are nine principal docking areas, including fishing, commercial traffic, a navalbase and repair docks, stretching for 11,000 m. The dock is capable of receiving improved the strength of the capable of strength of the capable There are nine principal dockspace is available: 215,000 sq m open-air and limit cu m of

market is set to be flung open to non-EC producers. The EC is the world's largest market, consuming almost 37 per exported world's 7 market exported in 1938, but the 12 member run import regimes. The German liberal; the biggest importer operates an annual quota, is is annually in line with denser and is not show entirely by the cheaper and

Under current EC rules, 46 per cent of banana supplies comes from protected sources. normally possessions or former colonies of EC member states. ssions or former at Pta25bn last year, www colonies of EC member states. shipped to Spain. That captive The other 54 per cent largely.

larger produce from the so-called "dollar area" of Cen-



refrigerated space, 28,000 sq m of covered and 5,000 sq m of semi-covered space – all of which are to be expanded by 20 per met wer the ment five

years.
The facilities offer by Later the facilities of the facilit Palmas include rapid re-fuel-ling (between 30 1,500 tonnes per hour more than supply points throughout and rapid resupply drinking water; the port's plant can pump 500 tonnes per bour from 240 diller points, and an ice-plant produces 200 But it is the port's duty-free status, meaning cheaper fuel,

together with its position are route to Europe, which make II we especially attractive spot im major shipping companies. While Las Palmas remains

healthily profitable, recording a net profit in 1989 of Pta2.230bn – almost double performance – on a turnover (up per cent from the 1988 figure of Pta3\_249bn), its position under threat. Traffic — by just 1.06 per cent in 1989; passenger trade fell by almost 25 per cent in the same ware. The per cent in the same year. The port employs warm peo-ple, and there are accusations

from shipping that lingure and quently the port's becoming competitive.

Moreover, both Las

and Cruz likely to strong competition from the developing port of Agadir in nearby Morocco. Port offi-cials in the Canaries dispute the idea that Agadir can compete today, arguing that in quality of the locally in outweighs in price advantage in Morocco. ware aware situation || bound M change within wery short time.
The local port authority currently in the tends of the

the next at La Pal-and the smaller ports of Fuerteventura and Lanzarote, improving and extending storage and f

MUTTA CILL DÉ TENERIFE

appointed directly by the

government in Madrid

tral government support for some Pta19bn W be invested in

Spain's more important ports, with 9,000 = I wharves, roll-on-roll-off brilling and

Spain's first 🔳 refinery was built in the port, in LAIO. Today, the dock has some 85,000 cu m of refrigerated stor-27,000 m m of semi-covered area and 13,800 sq m of

But the most important scheme in the mind if the port's president, Mr Pedro Meneses, is to expand 🔤 port's cruise liner and tourist traffic. He has hired marketing company to investigate of capturing a bigger share the Canaries' trade.

Against suggestions Land Cruz's relatively high charges prevent the port increasing in traffic,

What we are
equivalent a
five hotel service, in terms speed, efficiency and quality service. Course, there are cheaper ports in region, in Morocco and parts of North Africa, but they 🖿 not in terms of service.

Mr five ports of service.

Mr five ports under it jurisdiction (including five ports), the five being part if the separate province in Tenerife. His dministration has plans develop Cruz's infrastructure, with will not pta10bn and will have new covering about hectterminal; and improving traffic and around in harbour

Total gross tonnage Of which: tonnage Fishing tonnage 47,409,1721 4,419 esseis serve 2,920,6351 Gross tonnage 9,766,623t 2,881,353t 22,185t 852,347t Total tons Bulk liquid Bulk dry Gen merchandise 1.587,4298 (loaded) 2,454,997t 330,**460**t Fish suppl Transhipped 1,854,1264 4.809 merchandisc 695,279 In transit equivalent) 201,688 1,834,514L SANTA CRUZ Total ship visits Total tons 6,121,725t 485,384t Bulk dry Gen merchandise (loaded) CARLES (unloaded) 2,157,592t 2,272t 5,3271

LAS PALMAS

Total ship visits

Growers look to Gonzalez to secure German support

# Captive market for bananas

All EC countries, except Germany, have a 20 per cent tariff against Central American bananas. Preferential and dutyfree access to the UK market is granted to the Windward slands, Jamaica and Belize.

The European Commission has wavered on the issue of its members having different atti-tudes to imports, making the Lanzarote meeting of crucial importance to Canarian

islands about to become fully integrated with the EC, they expect Mr Gonzales to secure Chancellor Kohl's support for an internal EC regime benefi-cial to the Canaries. For the Germans, the banana is equally symbolic; exemption from common tariff rules gov-erning the truit was a key condition for West Germany's signature of the the Treaty of

December, when the light for full integration of the liament), it indirectly raised the question of will hap-to the Canaries' agriculwhich accounts for 12 out of every 100 jobs. Bananas and tomatoes represent 70 per cent of agricultural production per cent of the total value

maybe Du the EC in the department al agriculture al Canaries' government, "there 🕍 enormous pressure being applied at Brussels by Central are are the hands of three or four large oligopolies.

According to Mr Juan

Thur want to see pletely free and unhindered entry to the EC market, because they can produce more

cheaply throats to lever was and letter climetic on Illians. Such he entry for their produce would, purely used sim-ply, some the disappearance of the Canaries and other producphe, we just for the workers on the islands but for the shipping listly and as forth", he says.

A number of "non-papers"

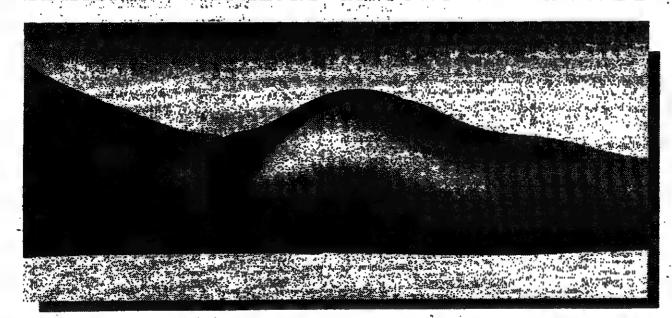
are currently under translation in Brussels. Spain has not yet officially distributed in position, though the meeting. But already to bet that mans will soon have to start more thair which come from Tenerife Tenerife Tenerife

tion, implying adhesion to the Common Agricultural Policy. important local - such as tomatoes, peppers, caralle bers and pineapples - would

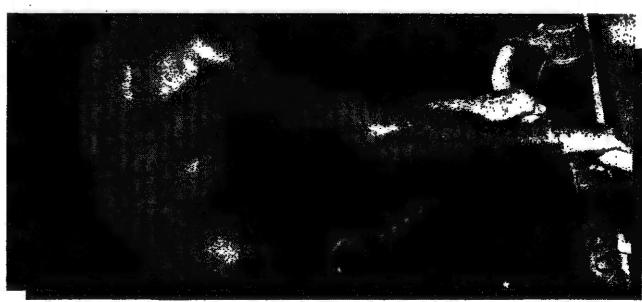
1989 Ingures Source: British Gensulati

Furthermore, the Library likely 🖿 🖿 from an EC some Pta3.7bn over three years, aimed at reducing Canarian agriculture's dependence on bananas.

In any the deal currently being worked in in Brussels would guarantee the Canaries their captive banana market in until 1996.











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IS REYES!

# Madrid is the common enemy

POLITICALlife on the Canaries has been relatively quiet since 1936, when General Franco left his exile on Tenerife to bring about almost 40

years of dictatorship for Spain.
Naturally, Canarios would see the
matter differently, but it is perhaps no misrepresentation to that the holiday atmosphere which supports the islands economically has permeated their general atmosphere, which melaxed and friendly. The squabbles that do exist are within the traditional rivalry between Tinerfinos and Canarios; but even they quickly sink their differences in the face of the common enemy — Madrid.

The peak of the separatist movement on the islands was in the early

1970s, when Antonio Cubillo led the Movement for Self-determination and Independence of the Canary Archipelago (MPAIAC), which was implicated in explosions in The MPAIAC backed closer relations with Africa, against being tied to the EC. Libyan leader Col Muamar Ghadaffi caused local uproar in February 1987 when he said that "Spain has abso-

lutely no legal right to the Canaries";

a number of Libyans were expelled as

as "an oasis in the midst of the

Today, Fuerteventura in truly be described as one of the "Fortunate Islands" in that it

is relatively free of package

The islands are to

more than 3,000 members

the Spanish Foreign Legion,

whose reputation mothing in toughness to that of

their French counterparts. The legion was originally there with the purpose of keeping an eye on King Hassan II of Morocco, who in the mid-1970s successfully and peacefully spanish Sahara and recovered territory. The

recovered the territory. The troops generally keep a low profile; the islanders do not

have a great love for them. The second largest island of

the group, at 1,725 sq km, Fuer-

cians on the islands today stand in a clear electoral minority.

Elections all levels of local, regional and national government are

whose capital, Puerto del Rosa-rio, is a stepping-stone for the thousands who visit the Island

each year for its sun and sand.

Europeans riding on cam-

els, soaking up a touch uf Africa, mingle with the island's fishermen; Fuerteventura hosts some of the best of the

But although surrounded by water, the island

import much we drinking

from mainland Spain. Rainfall generally comes to the island only once a year in a

downpour which may last only

Man tourism has un yet

Fuerteventura as it

has some of the other islands; there are only 14,000 have

tion of the Canaries' total.

That will change by the end of this year, when the £200m, 62 acre Puerto Ventura project and = 8,000 bed hotel complex

Canaries' fishing.

to be held on for the Canaries, largely between a centre-right coalition and the socialists, led by Mr Jeronimo Saavedra, a 54 year old university professor law who was president of the first autonomous Canarian govern-ment between 1983-87. Of far greater political weight than the issue of separatism is the continu-

ing struggle concerning Las Palmas' pressure to open a second university on Tenerife. In April 1989 thousands of Tinerfenos took to the streets to protest against moves to re-open the issue, responsible for the collapse of a coalition government in 1988. Mr Saavedra says that any politi-

cian hoping for office on the islands "has to recognise the self-limitations of the islands. There are 7,000 fragmented kilometres here, far from the European continent. Moreover,

Gary Mead explores the eastern islands

Study in contrasting styles

project by Zurich company, Alpha lunternehmung. The man behind the scheme, Mr Werner Bleiker, has convinced the

Canarian authorities that his village will offer Swiss quality

LASSACHUTE The valadate arid island of Lanzarote (795 km, population 54,000)

become irrevocably linked in the minds of millions with

cheap package holidays - the "lansagrotty" of down market sun-worshipping. Not for noth-ing has the island developed

the myth - which may be true - IAH BBC television

executives dreamed up soap "Eastenders" taking in the sun on Lanzarote;

some 600,000 tourdsts come to

That does an injustice to the

island's natural beauty and scenic attractions. But the bad

the island each year.

with Spanish cultura.

have a very strong demographic pressure, since 1980 the highest birth rate in Spain. There is a scarcity of cheap energy supplies and we don't have basic raw materials."

For him, the "only possibility that

we see for the recuperation of the Canaries' previous high growth rates or to achieve average national growth rates is the re-launching of public investment in construction of housing. We have a shortage of more than 10,000 houses in the urban centres. Without that, the urban centres are not going to be able to reactivate, economically speaking. If that contin-ues, then the negative growth of 1990 will continue for several more years."
As Mr Saavedra sees it, May's battle

to do with the down-at-heel

town, Arrecife. The wise trav-

eller leaves Arrecife as soon as possible and for such as in Timanfaya

National Park, a reserve which

is doing its best to maintain in

an unspoilt condition one of

landscapes - the last erup-

century, and covered a quarter of the island's most fertile land in a layer of lava between 8

and in metres deep. The heat generated is such that bushes still spontaneously combust

and potatoes can be cooked by

burying them just beneath the

GRAN CANARIA: With 700,000 people living and covering an area of 1,533 sq km (making it the third largest island in the

group), Gran Canaria is both the seat of government for the

attitutions region and its

earth's surface.

world's youngest volcanic

rage of complaints against Madrid. the Canaries is the poorest region of Spain. That just is not true. That hides the fact that the Canaries is precisely in the middle; we have an income per inhabitant only very slightly less than that of the national average. There are communities much more worse off than ours", argues Mr

Nor is he worried by the imminent complete adhesion of the Canaries to the European Community.

"The Canaries are trying to join the community with a series of very important exceptions in order to avoid greater unemployment and inflation, particularly in foodstuffs, since as we are going to join a system of subventions and quotas at an inter-national level that III inevitably mean heading towards international

"I think the only negative conse quence of our becoming full members of the community could be in our food processing industry, if we don't have – for another five years at least – a protectionist tariff placed against those similar goods which come from outside the EC."

Mr Saavedra believes such protec-tionism is necessary to shelter small companies from dominant multina-tionals. But he wants to see the end of such minor local protectionisms — their function is "only to protect those factories which spring up today and which, without protection will disappear tomorrow".

of the ready-mixed resorts

#### WESTERN ISLANDS

# Green, fertile and volcanic

finally due to have its own air-port. The only one of the seven islands lacking an airport.
Gomera's new landing spot is
to be built with Pta3.3bn (\$31.7m) support from the local government and the European community. Part of the stipulation any contractors - and tenders from all EC member countries are invited - must meet is to complete the work within three years, the government hopes work will start by

July 1992. Gomera is the second small. est island in the group, with a
est island in the group, with a
of roughly
370 sq km; coastal perimeter is just 87 km.
A volcanic island, Gomera's

20,000 inhabitants suffer a familiar Canarian problem water shortages, hindering all but the most basic agricultural development. It is connected to the other islands by a ferry system from its capital, San Sebastian, across km of water to the port of las Cristiin mulhern Tenerife. Tourists tend to spend brief periods on Gomera, depending

on the ferry shuttle service. Columbus sailed from Gomera in 1492 on his voyage to the more sophisticated Canarios say that was the last time any-thing happened in the island. The only resort hotel is Hotel Tecins, which provides a comfortable spet is launch off into the lush green forest, ideal for walking holidays.

One of Gomera's many curiosities is a language exclusive to the island, a whistling lan-guage called Silbo and used to across valleys.

HIERRO: The smallest and based populated of the Canaries, its 274 sq km area home to just 6,000 ple, Hierro is the more fertile islands; production of wine and livestock farming are the main transmitted with

GOMERA: The most important just one hotel offering four news for Gomera is that it is rooms on the quayside of Las der, lies inland, the only capital of the islands not on the coast explorers may spend time searching out concealed along the southern coast. where strange circular rock-carvings, known as Los Letreros and thought to be a primitive script, can also

> LA PALMA: Fifth largest in the island group (728 sq km). La Palma has a population of 72,000 and 🕒 97 km Tenerife. The greenest of the Canaries, one of its most famous features is the Caldera de Taburiente, one of the world's largest volcanic craters stretching 9 km across. La Palma's volcanoes are still quietly murmuring to themselves the last major activity was in 1971 when a new volcano erupted in the side of an older. The new voicano, Valor de

Teneguia, still smoulders.
The island's main town, Santa Cruz 🌆 la Palma, 📓 architecturally interesting, its partunius. La Palma is also home to one of Europe's most important astronomical vatories, at the high point known as Roque de los

TENERIFE: More than 600,000 people live on the group's largisland km). Tener-has been the km) tener-known of the Canaries. Many English and German citizens have so fallen in love with it that they have taken up per-manent residence. Although most a administrative and functions us now in Palmas, Tenerife has managed cling Canaries' only university. Presure in Las Palmas to create its own university caused ■ politi-cal uproar in 1988 and led to the collapse of the government.

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MR. PETER WICESTEED P.O.BOX 24 - LAS PALMAS DE GRAN CANASTA SPAIS

a result of their alleged support for local independence activists. But the handful pro-independence politi-

will be fought firmly and squarely on economic performance. The public sector is one of the Canaries' largest employers but wages are depressed. More than 50,000 of the 450,000-strong workforce, in his estimation, depend on various government offices of Canaries for employment.

"There has been an exaggerated inflation of the public sector, particularly in the last two years and especially in the autonomous govern-

ment", charges Mr Sazvedra.

A plan to reactivate the tourist sector is a vital necessity, says Mr Sza-"so that some of the obsolete installations, dating back 20 or 30 years, can be updated and improved." He dismisses President Lorenzo Olarte's April announcement il a Ptatobn subsidy for the tourist sector as "misleading", in that the bulk of the subsidy is to be destined for improvement to airport facilities. "In that area, of air transport and infrastructure, the autonomous gov-

ernment has no jurisdiction. It's a central government responsibility. To present the reality of the situation in such a disfigured fashion is habitual in the current government of the Mr Saavedra takes a tough view of the argument, common on the islands, that Madrid neither cares for nor thinks of the Canaries and their

problems of distance, isolation and geographical hardship. He points out that the islands have long enjoyed favourable tax regimes.

"According to the pseudo-national-of the islands, who accuse Madrid of abandoning them and mount a bar-

Tourists in Timentaya National Park, Lanzarote popular tourist destinaion within the islands. Its capital, Las Palmas, is both a major port and the centre of one of the island's most But the Playa del Ingles and

dreds of thousands of British. German and Scandinavian Gran Canaria has been pillaged for tourist attractions, its coastline littered with ugly and

thanks to its necessarily retaining all the functions of a working capital.

Las Palmas was used by General Franco as his launching post for the 1936 Spanish revolution against the Republi-can government, which had exiled him to the islands fol-Maspalomas are equally well-known among the hun-

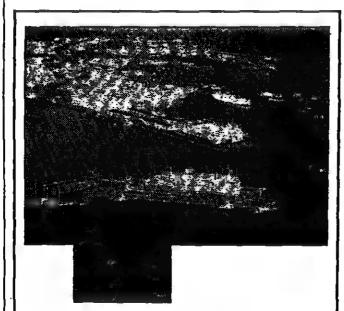
lowing suspicion that he had been plotting a coup d'état. Local wits say that the Canaries have only committed two errors; the first was to prevent Nelson winning the battle of Teorife the second plants. badly designed mass-market resorts. Las Palmas retgins an authenticity lacking in many of Tenerife, the second, allowing Franco to leave.

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The Port of La Luz and Las Palmas office good security, operates 21 hours a day and benefits for exemption to La The geographic situation, Un areas security, we services offered, the climate of the Island etc., have made it the busiest of that of the Atlantic. It li main Spanish port for shipping and a third of the national fish with is handled in it.

It has ■ surface area of 1.743 hectares, 1.208.700 square meters of land area and 10000 meters of mooring space. It proves \$2.25 meters of deposits. The urban support of the port is the city of Las Palmas, 400.000 inhabitants, the tourist speciality of the island and the nearness of the International Airport of Gran Canaria lends



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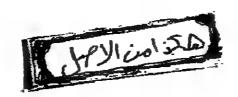
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FINANCIAL TIMES PRIDAY APRIL 19 1911

#### LONDON STOCK EXCHANGE

### Investors remain cautious on equities

LONDON STOCKS were squeezed yesterday between New York market struggling around new highs and a growing lack of enthusiasm for buy-ing UK stocks at current levels. Equity volume improved but with Wall Street battling to hold on to the Dow 3,000 range as it entered the new the UK market closed on the downside. The reduction in the US trade unit of February had little effect on the London market, which was taking its cue from Wall Street's reaction.

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Section 19

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THE RESERVE STORY

网络 有過性

permitted, said the my

M. Hill arthur.

Share prices closed above the day's lows, however, after Mr Norman Lamont, UK chancellor of the exchequer, reiterated his confidence in an upturn in the UK economy during the second half of the year. His followed disclosure that March unemploy-

Account Dealing First Dealings: Apr 2 May III Apr 12 Apr 25 Account Day: Apr 22 14ey 7 May 20

ment figures for the UK showed the share monthly indicated strong recessionary pressure on the British economy.

Equities opened higher in response to Wall Street's move above Dow 3,000 overnight. But the day's high, a sur of the Footsie, was reached very early and prices soon began to

Street that unsettled London in early afternoon, turning the market down by ten Footsie points. In the event Wall Street looked uncertain in early trade, and showed a fall of a couple of points on the Dowas London closed In IM At its final reading the

FT-SE Index was 6 I off at 2,538.4, some seem points bear its all-time peak. Seaq volume increased smartly after Mr Lamont's encount statement to record a unit 798.1m shares for the seed to compared with only 481.1m on the previous day.

London Stock Exchange data. confirmed that daily retail volume in equities has fallen this week, with Tuesday's session recording only \$805.9m. This is an unsettling development for

UK securities - some ther cuts in staff levels despite recovery in average daily retail turnover to above the £1hn fig-

There were further indications yesterday of uncertainty about the near-term outlook about the near-term outlook for the UK market. Both Samuel Montagn and Research Burope expressed concern that the outlook for sterling, Montagn predicted that sterling would pumpe" this summer on prospects of the UK, weakness in the German mark and domestic present for the UK. Nomura Research was more cautious, commenting merely that this week's trend instarting indicated a possiblefurther erosion in its value. The market took aboard a

£128m bid in \_\_\_ brewery \_\_\_ tor, but the much light hid said in be immunitied in market falled to materialise yesterday. Speculation of a move on a grand scale minimal = circulate,

The rights last calendar cash calls yesterday for a state and David S. Smith, the parkaging group.

Despite Wall Street's

strength overnight the internamixed changes. Oil stocks remained unsettled as crude oil prices churned around the \$19 a barrel mark. North Sea exploration stocks, which are more directly influenced by crude oil prices, dis manual day.

market was not consoled and the shares fell 10 to 89p.

Negative and you in the wake of the second rights issue

harm Morgan Crucible. Lain selling, said dealers, round

buyers extremely reluctant and

the man need in all 10 down at £38p. The nil-paid stock lost 7 to 13p premium.

Improved annual results,
the bered a sharply
increased dividend, lifted USMlisted motor distributor Mid-

States 9 to 68p.
Traders said that terms of a convertible preference issue from Slough Estates were so good that investors bought the stock to be able to take them

up. The shares rose 9 to 258p amid predictions that they would fall when they went ex rights on May 15. Blue lifting surprised in

market by not announcing a rights issue and declaring it

would not have one this year. The shares dropped 6 to 254p

4 Ann, however, as analysts

and on board the company's
cautionary noises about the
outlook in 1991. Robert Flam-

outlook in 1991. Robert Fieming cut its current year formeast to \$160m to allow for a much higher interest charge.

Heavy trading at the close in Seatchi and Seatchi fully peld (106m) and Ossory Estates (20m) leaked the the placing of the close in the control of the control o

(20m) looked like the placing the rumps of right

	F	NAN	CIAL	TIME	S ST	OCK	INDIC	ES		
	Apr 18	Apr 17	Apr 16	Apr 15	Apr 12	Ago	High 13	gs Low	Hegh	
Covernment Secs.	84.82	84.92	85.07	85.17	65.35	75.53	85 88 (19/2)	82.17	127 4 (9/1 35)	(3/1/75)
Fized Injerest	94.61		94.57	HI.	-17	-	94.84 (5/4)	30 59 (2/1)	105 4 (2811-47)	50 53 (3/1/75)
Ordinary Share®	1986.4	1001.4	1985.5	2003.6		1712.2	2014.5 (5/4)	(16/1)	2014 5	(26/6/40)
Gold Minut	139.4	139.0	138.4	140.0	141.3	248.7	179 7	127.0	754.7 (15/2-93)	43 5 (38/10/71)
FT-SE 100 Share	2536.A	2545.0	2519.5	2542.8	2526.1	2184.7	2545.3 (5/4)	2054.8 (16/1)	2545.3 (5/4/91)	388.9 (23/7/84)
FT-SE Eurotrack 200	1173.06	1172.46	1161.90	1176.39	40	-	1178.39 (15/4)	938 62 (16/1)	1178.33	938.62 (16/1/91)
Oord, Div. Yield OEarning Yld %(full) OP/E Rado(Not)(*)	4.82 8.71 14.10	4.82 8.70 14,12	4.86 8.86 13.88	4.83 8.80 13.96	ii)	5.19 12.03	1/7/35, Gdd	esses 1295	076, Fuod #2   5 Luss 1800 FT 6 #0   1	SE 100 3: 12 K
SÉAO Bargns 4.45pm Equity Turnover(2m)† Equity Bargains† Shares Traded (milit	32,366	29,692 945.58 29,186 403.8	30,305 805.87 30,948 363.3	31,604 604,50 32,122 362,4	41,257 1253 31	7	GIL		ED ACT	
Ordinary Share Index,		anges (	Day's High	2010.6	Day's	Low 1994	Barg	Edged Jains	93.	2 89.9
	01.0 200				1.5 1995			ay aver	ago 95.	
	am 11 / 22 254	7.9 254 254 254	4.5    254 y's High 1	2 p 3.8 254	m 3 pr 5.1 2535	Low 2535 m 4 pr 2540 ow 1171. 3 pm 1171.7	tExc busing Lon late	don re	ntra-marke Oversess port and re index	turnover.

### Heavy demand for ICI

ICI led international stocks higher as the dollar strengthened against sterling and Mr Richard Wyatt at County Nat-West put the stock into its Top 30 - a grouping regularly favoured by institutions. County bases its buy recom-

mendation on the view that world economic growth has now reached the bottom of the trough and will be rebounding strongly by 1991 Q4." Trading volume was a heavy 3.7m as the shares climbed on at one point. They closed a net 32 to

the good at 1100p.

Both Fisons and SmithKline
Beecham continued to
improve, the former on hopes
that its asthma drug Tilads would at last get approval from the US Food and Drug Admin-istration (FDA), and the latter in the wake of recent presentations to analysts. One analyst said that the talk of Tilade approval was "more than just a nod and a wink". Fisons rose 7 to 488p (up 18% over two sessions) and SmithKitne added 11

#### Racal again active

There was no let up in takeover speculation surrounding the Racal "twins", although a Racal director was reported as saying there had been no bid approaches for Racal Telecom. There was talk that one of I big international tale groups was about to buy a big

stake in Racai Telecom from Racal Rectronics, or that a full takeover bid for Ricci Elec-Hutchison Whampoa, the US "baby Bells" as well as Man-nesman and other European groups, were being spoken of as likely candidates, as was Cable & Wireless Recal Tele. Cable & Wireless. Racal Telecom shares rose 3 to 396p,

while Electronics managed a

minor improvement at 242p. Mr John E Clarke at Daiwa issued buy notes on both stocks but emphasised that Electronics was the cheapest way into Racal Telecour, because of its 80 per cent stake.

Mr Clarke attached only a 30per cent probability to a full
bid and said he believed a cashinjection, in exchange for a minority stake, was more

> Small brewers busy Second line brewers seethed with takeover talk after Bod-

dington bid for Devenish. seven for ten share swap proshare at 233p, and the company

It was described by one analyst as "a cheeky offer at the bottom of the market as a price value." The market price considerably below value." The market reflected the view in early trading as Boddington fell to 162p and Devenish 235p. They reversed their relative motion in later trading, however. Boddington ended 6 down on balance. closed up 12 at 232p. Carr Kit-cat ... Aitken said Boddington was ... buy because if the bid succeeded the enlarged group would have sound prospects and if it failed the company

would be in play. The two been inked before were in merger talks last year and last week Devenish sold its 3.8 per cent holding in Boddington. There were sug-earlier in the month-ington itself might be a target for a bid from Wolverhampton Dudley (unchanged that yesterday's move might have been an attempt to stave of such a takeover attempt.

Analysts inclined to the view that any successful bid for Devenish would have to be at 285p-270p. Much of the decision-making power is in the hands of Whitbread Investment Company: (WIC), an investment trust half owned by Whitbread. It has 21.9 per cent

of Boddington (Whithread itself owns 5.9 per cent) and 15 per of Devenish.

### Wickes placing

One of the heaviest individ-ual transfer trocks was Wickes, the building materials,

group, after mustown disposed of its near-19 per cent stake in the company.
Hillsdown said it had sold 50.48m shares for 227.4m, to SG Warburg, equivalent to 54.25p a share. The Seaq delayed ticker confirmed this and a similar series of trades carried out at series of trades carried out at 55p a share showed up a short while afterwards, indicating a profit of £378,561 on the deal. Hillsdown said Warburg had placed the shares with a numher of meaning

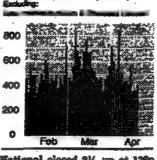
Wickes was unperturbed by the placing and closed at 60p. Turnover was 100m. Hillsdown

adged up to 262p.
A large sell order overnighlaft Glaxo 16 lower at and wilcome's turns suffer from worries over drug patents. US
Laboratories, said it nad
applied to the FDA for permission to seric equivalent of wearcomes Aids treetment AZT. Mr Robin Gilbert at Capel expressed his confidence in the reactility of Wellcome's patents, in the shares slid 15 to 5349.
Buy notes issued by County NatWest and UBS Phil-

FT-A Ali-Share index 1250 1200 1160 1100

**Equity Shares Traded** Turnaver by volume (million)

1000



National closed 2½ up at 136p on 15m and PowerGen held at wip on 10m.

Specialists reported planty of evidence that institutions had been selling the Water Package (10 lower at £3120) and buying the constituent stocks.

Trading in the Package is expected to cause by the end of July, when the remaining packages will be unwound.

Here in Gardiner Group, the wholesele distribution of the wholesale distributor of electronic

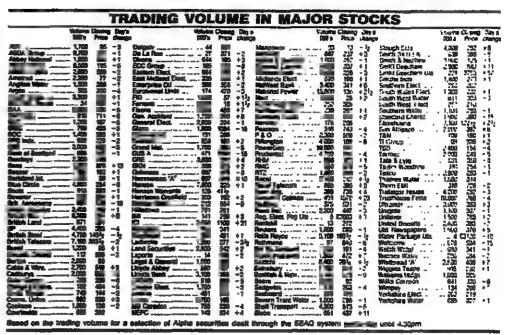
ips a Drew prompted heavy trade in the power lance equipment, were unmoved at 63%p as Scan-tronic placed its 18.1 per cent at 58p. Hoare Govett, and broker, sold the shares a number of institu-tions. Houre placed a similar amount of Gardiner for Auto-at a price of 51p. Scantronic was tunnoved at 85p.

Microfocus' scintillating per-formance since the start of the year, when the stock was trad-ing around 70th was main-

year, when the stock was trading around 700p, was maintained with the shares closing another 112 up at 1945p.

Bass bucked the trend with an improvement of 13 to 978p as traders became convinced that any rump of stock from the rights issue would be small. A big buyer of Whitbread early in the day pushed the shares up 7 to 485p. A line of Scottish and Newcastle degressed its price 9 to 575p. of Scottish and Newcastle depressed its price 9 to 375p.
Steelmaker Henry Barrett weakened after revealing awful first-half profits of 20.3m, compared with £6.5m for the same period last year. The new chief executive still expects full-year profits to reach £5m, and his confidence was reflected in maintenance of the interim dividend payment, but the

The Other Market statistics, including the FT including the FT including the FT including the Page 29



allows for dividend flows and

carrying costs.

Traders that

London investors, already feel-ing less remain about the out-look for UK equities over the

short term, and also unsure Wall Street's underly-

ing arrange. In castilla, some uncertainties over the

#### **EQUITY FUTURES AND OPTIONS TRADING**

It was a quist the in the assessed the implications of the latest unemployment fig-ures from the UK against lest burst of strength. An early gain in the PT-SE James futures contract helped equities very briefly but the con-tract soon fell from the day's best and trading volume quist-ened down.

By the end of the session, the premium on the immen

contract had shrunk to only 28 for sterling were voiced by points of the underlying cash price, virtually eliminating the premium against the Fair Value calculation which securities analysts in Immen yesterday.

The Traded Options market also had a poor trading ses-sion. Some interest was shown in the Euro FT-SE contract and London Trus I I I heavily in the British Telecom option.

There was some activity in Land Securities and in Asda where matched trades operated. Kisewh however, the sector lacked

### **NEW HIGHS AND LOWS FOR 1991**

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### LONDON SHARE SERVICE



Prospective real redemption rate on projected III
10% and C2 5%. (b) Figures in parentheses show
indexing, (te 8 months prior to issue) and have bee

### **APPOINTMENTS**

### Senior posts McDonald as sales and usarketing director. He was sales director of R. & R. Moffat. at Windsor

■ Mr Stanley Cohen, a non-executive director, becomes non-executive chairman of WINDSOR, Lloyd's brokers, from May 1 in succession to Mr Stanley Taylor who is retiring. On the same date Mr Michael Ragles becomes chief executive. Mr Charles Rarle will join Windsor in May as managing director, succeeding Mr Richard Wells, who becomes a non-executive director.

EQUATOR, a luggag company, has made Mr David M. Whicker its new finance director. He was finance director, Salisbury Handbags.

Mr Reginald Jowett has been appointed a director of SOUTHERN & CTTY DEVELOPMENTS, a subsidiary of Upton & Southern Holdings.

QS HOLDINGS, clothing retailer, has appointed Mr Eric Holes as finance director. He was financial controller and company secretary.

Mr Russell Wood has been appointed managing director of MODULAR AUTOMATION. Birmingham. He was managing director of Tudor

■ STOTT BENHAM, Oldham, catering equipment maker,

■ BABCOCK CONSTRUCTION, Renfrew, has appointed Mr M. Ramsay Ross as financial director. He was financial director and secretary with Kvaerner

■ MEYER INTERNATIONAL has appointed Mr Fred V. Warner to the new post of human resources director of Jewson. He was personnel director of Payless. HALFORDS, a Boots

subsidiary, has appointed Mr Barrie Thrussell as director of service centres. He was service and parts director, Jaguar Cars.

m Mr Derek McMaster has been appointed to the new post of managing director of the garden accessories division of WILLIAM SINCLAIR HOLDINGS, Lincoln.

OCTAVIAN UNDERWRITING has appointed Sir Francis
Dashwood as chairman, and
Mr Francis Mocatta and Mr Michael Acland to the board.

Mr D.H.F. Somerset has been appointed a member of the London advisory board of BANK JULIUS BAER, and will become chairman in June when Mr R.B. Bennett retires. Mr Somerset was chief cashier of the Bank of England 1980-88.

E QUICKS GROUP has appointed Mr Peter Egerton to the main board as finance director. He was finance director with Embassy Hotels, and takes over from Mr Miles Davis who becomes commercial director.



DOM OULA GREAT BRITAIN has appointed Mr Stephen (pictured) as operations the marketing director. Mr Stephen marketing director. Mr Stephen marketing director. He was marketing manager at Coca-Cola Holland

Mr Alan J. Cole, chief executive, Transport
Development Group, has been
appointed a non-executive director of WM LOW &

MOWAT GROUP has appointed Mr Nirmal Bokhataria as finance director. He joins from the corporate

department of Touche Ross, and succeeds Mr Brian Brass who has retired.

dividend payment, but the

■ Mr Phillip Smith has been promoted to director of engineering, gas business, at BRITISH GAS headquarters. He was operations director, North Thames.

DAVENPORT HOLDINGS, Bradford, has appointed Mr. Peter Wood as a non-executive director. He is managing director of Kllis & Everard.



PATIENTS PLAN appointed Mr Colin Redman (pictured) as director of newly-formed PPP Lifetime from 1. He is Burns-Anderson director, and chief execution Burns-Anderson Independent Network. Mr Roy Forman, PPP chief executive, will be chairman of the new company.

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### **ORESUND** Region

The FT proposes in publish this survey of

May 29 1991. In will in of particular interest in the of the top chief executives in the UK/Eire and the 40% of leading executives in continental Europe who read the FT. If you want un reach the important and with your advertisement, all Chris Schaanning in London on

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FT SURVEYS

### **FOOD INDUSTRY**

**FOREIGN BONDS & RAILS** 

The FT proposes to publish this survey on

May 10th 1991.

It will be of particular interest to the 61% of European Chief Executives in food and related industries who are regular FT readers. If you want to reach this important audience, call Jonathan Wallis on 071 873 3565 **a** fax 071 873 3062.

**FT SURVEYS** 

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#### FOREIGN EXCHANGES

### Dollar rises against D-Mark

lar had climbed to DM1.6880

from FFr5.6550. Its index rose to 65.1 from HA Speculation a rise in

German interest pabe was

mainly confined in overseas markets. This accounted

the calm reception in Frank-furt to the Bundesbank's deci-sion to leave rates unchanged

Description of the selling of the Description of change in German rates turned

towards the gloomy economic prospects for the country result unification and

concern about a possible power struggle in the Soviet Union.

The D-Mark lost ground in

A sharp fall in E February DS trade deficit led to modest selling of the dollar, but the currency finished higher on the day after the German Bundesbank failed to raise official interest rates at yesterday's council meeting.

Fading expectations of early easing of the US Federal neserve's monetary stance also helped push the dollar higher. This followed denials by officials in Washington that Mr Alan Greenspan, chairman the Federal Board, is struggling to maintain his authority monetary pol-icy. It had been suggested that Mr Greenspan was forced "filelay a cut in interest rates because of resistance by members of the Federal Open Mar-

worried about inflation. February's figures were the best for over seven
The fell was \$5.35bn from revised \$7.16bn in January, at they pointed lowards a weak economy and did not help the dollar. US exports fell 2.4 per cent in February and it was only because imports fell 10 6.4 per cent that the trade figures were so good. The address of oil imports reflecting. run down in US industrial activity.

C IN NEW YORK Previou Clase Apr.18 STERLING INDEX 200 200 200 200 CURRENCY MOVEMENTS Morgan Guaranty charges: average 1980-1982-100. Bank of England Index (Base Average 1985-100). \*\*States are for Apr.17 CURRENCY RATES

4 Bank rate refers to central bank discount rabit.

These are not quoted by the UK, Spain and Ireland.

\* European Covembesion Calculations.

\* All SON rates are for Apr.1.7

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OTHER CURRENCIES Apr 18 

**MONEY MARKETS** No German move

Short-sterling in a narrow range on Liffe.

June delivery opened firmer at 88.69 and peak

88.72, seem closing at 88.68 compared with 88.67

Day-to-day III remained in reasonably supply on the London market. The Bank Rengland

initially forecast a shortage of

£350m, but wind this to £300m is noon and then back

to £350m in the afternoon. Help of £288m was provided.

The with the did not

operate in the market until lunch, when £288m bills were bought outright, by way of £24m bank bills in band 1 at

11% per bills in band 2 at 11# per Bills maturing in o

hands, repayment of late

Treasury bills drained £495m,

with a time in the male

circulation absorbing £60m.

outweighed exchequer adding £200m liquidity and bank balances

In Amsterdam the Dutch

Central Bank life its money

market rate for special 8.70 per cent when offering seven-day liquidity to

A tender for the funds will held today to offset Fl 42bn draining from the market as an

above target of

the banking system.

earlier facility expires.

previously.

THE GERMAN Bundesbank per cent. left policies unchanged yesterday's council meeting. Speculation that the bank might increase in the last in the Bundesbank's fixed at a securities repuragreements, but talk about higher mainly foreign exchanges and overseas mar-

There was no further tightening at this tender and

UK clearing bank leading rate 12 per cent April 12,

Image on the Frankfurt money market always sceptical the council meeting would agree In increase either the discount or Lombard rates.

Frankfurt call money was steady at 8.80 per cent yesterday in quiet trading. Credit conditions comfortable, but a payments are tending un drain liquidity

at present. In London short-term interest maintained downward course, but the longer end of the market was slightly firmer. Three-month sterling interbank eased to cent, while 12-month money rose ■ 11 1 1 1 from 11%-11 4

the European exchange will mechanism and also weakened against the Japanese yen. It fell to Y8L00 from 81.50 in London, after failing to break

from DML6725; to Y136.70 from Y136.35; to SFr1.4415 from SFr1.4270; and to FFr5.7000 earlier in Tokyo. Sterling fell against the dol-lar, but was firm in the ERM. There was no obvious reaction to ■ larger than expected rise in March UK unemployment or to surprising drop in manufacturing output. The monthly rise in unemployment was befor 20 years, and although total industrial production 1.6 per cent in rebruary, manufacturing output fell 1.6 cent. This encouraged speculation about a further easing of UK monetary policy, but not reflected in the pound's performance mance.

Sterling fell 1 cent to \$1.7720. It also in to Y243.25 from Y243.00, but rose to DM2.9900 from DM2.9800; to FFr10.1000 from FFr10.0775; and to SFr2.5550 from SFr2.5425. The pound's index gained 0.1 to

wort, o	area mining	, to preux	50.4.		•	
DOLL	AR SPOT	- FORWAI	D AGAIN	ST	THE DOL	LAR
Apr 18	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
Ikt	1.2220 - 1.2340	- 6.5500 5.7025 6.0650 136.65 - 136.75 11.8600 - 11.8650 1.4410 - 1.4420 1.2220 - 1.2230	0.82-0.80cpm 0.48-0.43cpm 0.33-0.35cds 0.45-0.49cds 7.50-9.00cls 1.90-2.20ccs 61-65cds 5.60-6.100ccs 2.10-2.45crs 1.44-1.45cds 2.25-3.15crs 0.25-0.25cds 0.25-0.25cds 0.25-0.25cds 0.25-0.25cds 0.25-0.25cds 0.25-0.25cds	144 144 144 144 144 144 144 144 144 144	2-03-2.37cm 1-03-1.30dm 1-03-1.00dm 1-03-1.00dm 5-05-6.25cm 1-23-1.25dm 215-240dm 125-240dm 167-177-05 15-70-1.25dm 15	5344028652665456154799 5344028652665456154799 5344028652665456154799
ommercial r orward press	ates taken towards t stores and discounts a	he and of Loadou tra apply to the US dollar	dleg. † UK, kreland rasid not to the led	and ECL Ividual c	are quoted in US : urrancy.	HIERCY.
POUL	ID SPOT	FORWAR	D AGAIN	ST	THE POU	ND
Apr 18	Spread Spread	Close	One woods	94. D.L.	Three months	% p.r.

Apr 1.8	Stacesq graft, 2	Close	One worth	P.L.	Three months	N.
Vortes	10.0655 - 10.1135 10.7345 - 10.7820 241.75 - 243.10 20.95 - 21.07 2.5440 - 2.5600 L4430 - 1.4500	11.5975 - 11.6075 10.0950 - 11.6075	0.82-0.80cpm 0.37-0.28cpm 17-12cpm 13-11-2cpm 0.30-0.13cpm 23-2cpm 24-2cpm 24-2cpm 19-11-2cpm 24-2cpm 4-3-2cpm 51-4-4-2cpm 51-4-4-2cpm 0.31-0.25cpm	149 149 149 1267 188 2.77 188 2.77 1.88 2.77 1.88 2.77 1.27 2.47 2.47 2.47 2.47 2.47 2.47 2.47 2	2 00.2 37 om 107-0 55 cm 21-1 5 cm 31-1 5 cm 31-4 5 cm 0 50-0 40 cm 11-1 5 cm 11-7 1 5 cm 11-7 1 5 cm 11-7 2 cm 11-7	2.01 2.01 2.01 2.01 2.01 2.01 2.01 2.01
_33-7.23pc1						
. 1	MS EURO	PEAN CUI	RENCY	UNIT	RATES	
	Eta Centra	Amounts	% Change	% S	prodd Dings	ripci)

	Eco Central Retes	Amounts Against Eco Agr 18	% Change from - Central Rate	% Spread vs Westart Correscy	Divergence Indicator
itish Pegala 11-19 San Live, printet i mod plan Franci Ch Guilder Aprik 1-Puet   modelar Sish Krone	133.631 0.696904 1538.24 42.4032 2.51643 2.05586 0.76741.7 7.84195 6.89309	187.684 0.69639 1527.32 42.4234 2.32402 2.06274 0.773440 7.99420 6.47083	-1.50 -0.70 -0.71 0.05 0.33 0.33 0.42 0.47 1.10	5.25 1.25 1.25 1.27 1.27 1.27 1.27 1.27 1.27 1.27 1.27	4

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			EXCI	LAN	GE C	ROS	S IV	M-			
Apr.18	2		DM	<b>Yes</b>	F Fr.	S Fr.	H FI.	Lira	CS	100	ECU
- 1	1	1271	NAME.	242.3	00.00	2.555	A.Mai	2214	0.000	61.20	1.00
	0.564	1	1.00	136.7	K III	1.442	1.901	LITT.	1.153	839	0.81
	A TM	0.000	1	EL 04	3,500		1.126	1900	0,683	<b>60.47</b>	0.48
YEO	4.127	7.313	12.34	1000.	40.46	M.M	13,90	9137	NACE:	252.6	3100
F Fr.	0.990	6.798	100	239.9	10.	2.530	3.335	2192	2.023	46.07	5.00
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	0.564	1	3.860	136.7	K K M	1.442	1.901	ALC: Y	1.153	25.54	0.818
	ATM	6.000	1	EL 04	3,300		1.126	190	0,683	<b>107</b>	0.485
YES	4.127	7.313	12.34	1000.	40.46	ALM:	13,90	9137	A ACT	252.6	Sec.
F Fr.	0.990	8.798	8.800	239.9	10.	2,530	3,335	2192	2.023	MARK	5.700
S.Fr.	130	100	1.170	(A.10)	17990	1	1.300	24.0	0.800	23.95	Addition
HFL.	LIEU	130	0.889	n =	1,000	6.009	1	800.0	0.607	10.07	640
Lips,	0.000	A PAGE	1.700	159.4	4.544	1.154	1.521	3000	100	17.64	0.654
CS	0.489	54.00	1,464	120.0	6.999	1.251	LAW	100	1	19.59	1000
100	1.00	Sec.		200.5	16.50	4.175	EXC	3618	3,338	100,	2,368
110	6450	1.000	8.865	BOTH	120	1.763	COS	1528	1.00	41.36	1
en per	1,000:	French	Fr. per	10: Lira	per 1,0	000: 🔤	Fr.	. per 10	Q.		

FT LONDON INTERBANK FIXING C11.00 a.m. Apr.180 3 US bid after 62 The fixing rates are the arithmetic means rounded to the meanest one-statement, of the bid and offered rates for \$10m quoted to the market, by five reference hands at \$1.00 a.m. each working day. The hands are listional Westenbester Bank, Bank of Toleyo, Omnotive Bank, Bank of the Park and determine Terminal Vision Westenbester Bank, Bank of Toleyo, Omnotive Bank, Bank of the Park and determine Terminal Vision Bank.

	1	ONE	/ RAT	ES							
NEW YORK Treasury Bills and Bonds											
(Lunchtime)		Obe month	-	5.74 Three	year	7.23					
Total statesth											
Apr.18	Overvelgist.	One Month	Two Mentis	Titree Mouths	Six Months	Lombard Intervention					
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LONDON MONEY RATES											

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1 2m The FT proposes to publish this survey on
13th May 1991.

It will particular to 130,000 discuss and managers who are regular FT readers. If you want reach IIII important audience, Call Clive Radford on 0.272 292565 fax 0.272 225974 or write to him at Merchants House, Wapping Road, Bristol, BS1 4DW

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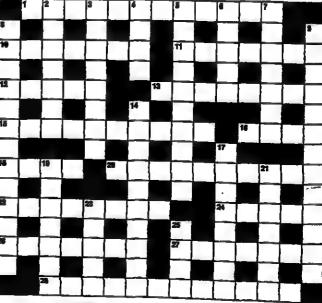
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AUSTRIA

FT SURVEYS

### CROSSWORD

No.7,522 Sel by GRIFFIN



ACROSS

1 Nunnery takes loan I arranged as usual (12)

10 Which keeps locks in good order? (7)

11 Entering

You Can Pot\* (5)

12 Indication of level I'd found in church (8)

15 Its output could sured in degrees (10)

16 Time to go fast? (4)

18 Said what garden weeds! (4)

20 They provide time for work (10)

(10)
22 Not even take to back street scraps (3)
24 Kind union leader imprisoned by court (5)
26 Tell "" managed return key" (7)
27 Better than oil from the region (7)

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28 Latin thigh-length trousers in store (12)

DOWN 2 French friend apparatus for paper-folding

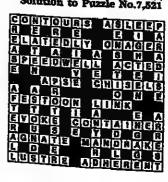
(7)
3 Girl I'd taken around vehicle disappeared II
Surprise when climbing for

Freedom from metabolic encephalitis (7)
8 Nevertheless available or included complete (13)
Which could be in form a circular plug (13)
14 Variety donkey suffering torment (10)
17 Something aimed at newwards (10)
18 Deans stop American engineers entering (7)
21 Bringing in new in Navy intake (7)
22 Love plant raised by daughter of Zeus (5)
25 Voice that's altered a lot (4)
Solution to Puzzle No.7,521

5 Novelty pub gets round of applause (10) 6 Ton-up man of special sig-

nificance (5)

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Commodite #	390.65	307.42	361.18	380.40	390.45	311.49	390.45	4.40	CIC General GL/12823	498 79	465.75	467 15	487.88	493.78 (941)	394 98 (15/1)
					0.7/40	(9/1)	07/4/91)	CLAV320	CAC 48 (31/12/87)	1815.74	1827 45	1802.91	1222.15	493.78 (9)4) 1851.89 (3)49	1425.26 (15/2)
Industriels	442.40	<b>456.93</b>	451.30	467.13	482.40 037/40	364,90 (9/3)	07/4/91) 462.40 0.7/4/90)	3.62	GERMANY						
Flancelel	31,49	30.93	30.16	30.07	11.49	21.96	35.21	8.64	FAZ ALLIES COLFIZERS	44.6	686 01 1942-30	660.39 1926.10	100.25	1942 3	579 49 (15/1) 1612 5 (15/1)
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NYSE Cormodite	213.21	21L71	208.39	208.08	213.21	170,97	213.21	4.46	HONG KONG						
					0.7/40	(9/1) 294,72	0.7/4/91)	(25/4/42)	Homp Seeg Bank (51/7/64)	3599.26	3687.01	3717.46	372A.37	79 (3/4)	5484 of GPAD
Amez Mit. Valui	372,46	364.99	366,87	366.63	372.46	294,72	397.03	29,31	HELAND						
MACRAS Companies	J11 91	506.75	500.84	503.62	511.31	04/D	20(30)89) 511-31	(9[12]172) 54.87	ISED Dress 14/1/80	10.76	1494,37	1482.13	P\$6.93	1320.65 (12)79	1774 379 122/10
NASOAQ Compacite	احبلند	349.73	300.01	Shrine	117/40	(14(1)	07/4/90	C1/10/72)	TALY				-		
	_	_	_				1-141-		Benza Coo., Ital., (1972)	598,70	594,91	597.66	391.54	600,29 (5/49	494.24.29/0
		'As	Nr.12	Apr.	5 h	(ar.22	year ago (	(Apprex.)	36249 364 (16549)	2/17.65	26980_37	24811.70	2455	27746.91 (18/3)	2242 70 DAVI
Dow behalvial III Y	Plate!	_	45	14		1.51	3.9		Total SE ((eph) (4/1/68)	2011.55	202R 82	2018.83	2012.06	2028 85 (18/3)	1425.00 (17/1)
NAME OF TAXABLE PARTY O									and Section 14/1/48	3383.83	3367.34	335.35	3343.76	3367 34 03740	2473.52 (2493
		Ap	br.10	Apr.	3 A	Aer.27	Aset são	(spprost)	MALAYSIA						
S & P Industrial die.	yield	- 3		2.81		2.84	3.0		ICLSE Composite (4/4/66)	<b>395.5</b> 6	<u>E</u>		580.11	(45) (11/3)	470 41 (16/11)
S & P I roth			111	18.4	•	18.27	15.1	l3	HETHERS AND			-20.0	974.0	MW 0 0410	221.4 (0.6/1)
									CRS TU, Roy, Gen, (East 1903) CRS All Say (East 1903)	275.2 200.9	274.9 284.9	272.5 199.2	274.9 200.9	275.2 (18)49 200.9 (15)49	1423 (147)
NEW YORK /	ACTIV	E ST	ocks	7	RADIN	G • III	MITT		MORWAY		400.0				<del></del>
1	Stocics.		Chan	30	† Volum	NF .	Million		Oalo SE Oant (2/1/83)		718.01	705.61	707.90	735 00 44/37	FIRE GIVE
Wednesday 1	raded	-	on di	ly	-	Apr.	17 Apr.18	Apr.15	PHILIPPINES			·			
RJ Nableco 6.	845,000	12%	. 3	_ :		248	87 214.40	141,000	Marila Cores (2/1/85)	1091.56	1000,95	1090.46	1095.90	1154.73 649	SIZAN CANTI
Am T & Y . 3	448,900	37%	- + 4			75.			ENGAPORE	-	49.1		400.00		1
	196,500	454	- 1			267.			SES All-Slagapore (2/4/75)	GV PQ	411.54	401,01	405.18	405.46 (05/3)	315.07 (14.0)
	507, 40G	70%	- 5 %	- 2	_		96 2,09		BOAFTH AFFRCA JSE CON (28/9/78)	1081.06	1066.0	1044.0	3059.0	1367.0 (470)	0. 971.0 (252)
	\$11,300 436,900	47 16	+ 5				925 LL13 572 S2		ISE Industrial 128/9/789	3470.84	3457.0	3456.0	363.0	349.6 4110	2029.0 (147)
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Util Yel 2,	339,900	27	+ 2		100		223 18	H 195	Knoth Carry 1 10	(25.89	432.15	439.41	431.52	697.62 (4/1)	614 60 (14/TI
	306,200	27	+ 24					5 4	SPARI ST	-	204 14		-02 64	200 m days 3	munt gar-
Bath Steel 2,	254,800	134	+ 4	l l					WANT OF SECOND		20126	297.66	382.84	269.22 (18/3)	213.70 Q4Ys
									SWEDEN Affirsking Cas. Unit 371	1087.00	1089.18	1912.90	1098.80	1119.0 (18(3)	906.4 (973)
CANADA	_		_	_	_				SWITZERLAND		20001-200		2010120		
CANADA									Switz Bank Jul. (31/12/58)	734,0	734.2	778,7	받	743.8 (5/4	590.4 (14/1)
TORONTO	A	pr. /	pr.	Apr.	Apr		1991		SEC General (1/4/87)	619,4	(20.0	فقلة		425.1 R/49	487.1 (14/1)
	1	7	16	18	12	HIGH		WO	TARWAN	2000.00	847 42			NAME OF TAXABLE	
Metals & Minerals			47.92		123,67	3284_18 G/I		206 (9/71)	Weighted Price (30%/66)	3690.11	3451.66	3113.31	5J/145	5640 T7 (TEM2	3316.24 (14/1)
Composite	25	5.93 35	39.73	3	509,59	3571.53 (6)	3161.	95 (15/1)	THAILAND Basetok SET (30/4/75)	904 69	390.46	855.03	254.66	901.69 (18)40	502.40 (IA/I)
MONTREAL Portfolio	12	A25 1	MA.47 1	2 1	342 21	1508.19 (5/3	1604	39 19/33	MORED CONTIN	U	014,40	440,44	907.00	101.97 GOTH	
			_						M.S. CHAPM HAT CUT 1/40 45	\$25.20	329.2	525.6	523.0	529.2 ti7/9	439.1 (14/1)
Base values of all in		100	<b>300</b>	Co.	HATEL STREET	andard	and Poor's	-10; and	PROMOTES A	orli 13; Tal	- White	and Bules.	4402 70	Court Come Ev 610	191
Base values of all in Toronto Composite 83. † Excluding box		215~] <b>=</b>	the District	mo isolo	M hase	and Me	ntreal Porti	0110 4/1/	is official recolor ses of all inter- electric	lation. + Co	rected fly	FE.	Calc	placed at 15.00 GM	
Co. T Excepting one Unaveliable,	ALC: U	eries, P		L., FIG		- Sports	منية الله خاراة	THE PARTY NAMED IN	5 of 20 km	T total	BELZO, H	EX General	SEII OVE	rail and DAX — 1,000 ft fe) Clean for the	), JDC G001 = 255.7, Mailabh
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# TOKYO = Most Active Stocks Thursday 18 April 1981 Stocks Traded Prison on day Hischi Zesen Atm 650 -6 200 on Yor Kgs 9.5m 1,130 +48 Nippon Steel Atm 650 -6 200 on Yor Kgs 1,130 +48 Nippon Steel Atm 650 -30 on Hischi Elec 4.5m 4.5m 4.5m 4.5m 788 +8 Hischi Elec 4.5m 4.5m -19 Talyo Yudan 3.5m 1,080 -10

### POLAND

May 3rd 1991.

58 % of Chief Executives of Europe's largest companies read FT. If you want to reach this important andence call Particle Surfage, Tel: 071 873 3426 or Fax: 071 873 Nine Kowalewska, Warsaw, Poisad, Tel (22)

FT SURVEYS

### **TURKEY**

The FT proposes to publish this survey on May 20 1991.

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FT SURVEYS

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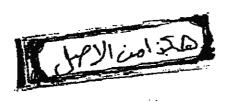
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`	FINANCIAL TIMES FRIDAY APRIL 19 1991	47
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Ł	Colored A   15 3821 W251   24 34 44 45   18 14 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Comm   19 2079   94   9 94   41   41   41   41   41

### Dow takes a break after Wednesday's record close

AFTER the big gains of Tues-day and Wednesday, share prices fluctuated either side of their opening values yesterday morning in directionless but

heavy trading, writes Patrick
Harverson in New York

By pm Dow Industrial Average was up 2.97 at 3,007.43. On two occasions in the morning the Dow dropped only recover. The broader-based Standard Poor's 500 spent the first half of the day in negative territory, standing down 0.03 at 390.42 at 1 pm, while the Nasdaq com-posite of the the Turnover on the New Yould SE was again heavy 11 137m shares by 1 pm, with declining outnumbering advanc-

ing issues by 803 in Two pieces M encouraging economic news late to lift the market. The limit jobless ending April 6, showed a 22,000 fall in the number / people claiming ployment insurance. Analysis had been expecting the number to rise. The February trade deficit narrowed to \$5.3bn, the smallest since September 1000. Although the data should have economy market sentiment remained subdued, primarily because much of the of the Dow's record —— on Wednesday ——— that the rally did not —— much fur-

Tonka me in the on volume of 1.7m shares on the news that Hasbro, the rival toy had received more than the required 90 per cent approval from Tonia bond-

#### **NYSE** volume



504 8 8 9 10 11 12 15 16 17 18 holders for his made offer. Hasbro shares, traded on

the American Stock Exchange, rose \$1 to \$28%.

A batch of mind quarterly results in the technology sector caused a stir. Digital Equip-ment jumped 1-1 to \$71 on volume of 16m shares after the computer group announced fis-cal third quarter income of 94 cents a share, up from 20 cents share we year earlier. Tandem

Computers climbed ILW in

IIII on news of fiscal second quarter net earnings M 17 a share, a share the year before, while Texas Instruments slipped \$% to \$45% as it reported a first quarter loss. Sears, Roebuck rose \$% to

\$38 after the retailing giant sas after the retaining giant announced first quarter profits in 59 seems share, which included a charge against earnings. Lockheed fell \$1 % to \$41 on news that first quarter profits had fallen from \$1.09 a year ago to 85 cents a share. Scherica where the statement of the stat ing-Plough, the pharmaceutical and healthcare group, firmed to \$51% in the wake of an 19 per cent increase in quar-terly income a sull a

TORONTO fell on

weaker US and Canadian bond markets and some mixed first index dropped to Declines led advances by 215 to 176 on volume of 21.0m shares. Campeau added a cents to C\$1.23 in heary trade, after going as high as C\$1.45 early on. There were hopes that its US retail units, Federated and Allied, were we the road to a bould would a strong reorganisation plan April 25. BCE Development, another troubled property company, was also actively traded,

### Nikkei uptrend broken by interest rate standstill

#### Tokyo

SHARE prices fell for the III time in six days, despite the overnight record as investors waited for

as investors waited for the money supply ures, writes Emiko m Tokyo.

The line to 26,798.90 on linked ling and profit-tak-ing, after a high of 27,042.90 and a low of 26,699.87. Volume lit to 400m shares from 480m. to 400m shares from 480m. with institutional investors disappointed by the second

high rates. Declines outnumbered

by to with 180
unchanged. The Topix index of all first stocks lost 17.27
to 2,011.55 and in London, the 1524.10. Traders said that senti-ment had not changed drasti-cally. Mr Fujio Katayama at CS First Boston said that some profits, he had be thought the would be

Ilimited.

The electrical sector, popular on Wednesday, fell back with Pioneer down Y10 to Y5,040 and Sony by Y110 to Y6,680. Large-capital issues fell as Mr Yasushi Mieno, the governor of the Bank of Japan, ruled out possibility an easing in monetary policy. Nippon Steel Mitsubishi Heavy 1111 Y10 in Financials lost ground on poor improspects, with Industrial prospects, with Industrial Japan Y170 lower at Y3,650 and Fuji

Y170 lower at Y3,650 and Puji Bank retreating Y80 to Y2,630. Non-life also with Tokio Marine 🛎 Fire

losing Y40 to Y1,350.
Daiichi Pharmaceutical lost Y90 to Y2,230 on reports that carnings for the previous business year are expected to fall for the first time in eight years. Other drug followed with Yamanouchi down Y10 to Y3,020 and Dainippon

Chiyoda, the plant engineer, was the man active was in day, climbing III m YJUN Investors liked reports that the company had agreed to supply Czech agreed with de-suphurising

Nippon Yakin Kogyo, the stainless steel maker, rose Y45 which is promoting the less steel theme. It brokers activity by recommending thei institutional impress were not interested in taking positions at current levels.
In Osaka, the OSE fell 80.14 to 30,075.98 on volume

Constructions and textiles ground, while some high-technology arm on I rally on Wall Omron, the component maker, rose Y30
Y2,350. said investing who had bought its Eurodollar-denominated warrant bonds, laure lan week,

were trying III had the price. Sanoyas Hishino Meisho, III shipbuilder, rose Y60 to Y1,920 on strong earnings projections, thanks to strong sales of its playground equipment.

### Roundup

NEW HIGHS for IIII almost commonplace yester-day, with Australia, New land, Taiwan III Thailand all building on Wall 2 rally and breaking new ground. NEW ZEALAND PIPE IN rally inter-late helped fuel bullish closed 21.64 or 1.5 per cent to

climbed by 11.4 per cent in the

three weeks. Turnover, inflated = cross-trade of 40m shares in Magnum, a brewing and grocery group, jumped from NZ\$35.7m to NZ\$146.2m. Brierley Investments said it selling in 17 per

Magnum, retaining a half-share in a separate 54.1-per cent stake in Magnum through an walling joint venture with Asia Pacific Brewerles of Sing-

NZ\$1.11 in 7.2m shares, while Magnum fell 7 cents to NZ\$2.73 in 1 AUSTRALIA through 1,500 the All Online index which closed 22.5 or 1.5 no cent higher at 1,513.1, its highest close since September its sixth

buying turnover me from A\$237m in A\$237m TAIWAN saw 2 peaceful end-ing, by local standards, to a 15-hour opposition demonstration demanding political reform. The weighted index mass 239.06 or 4.4 per cent is

Brokers noted active

5,690.11 as turnover rose from BANGKOK heard that the big hanks were cutting a percentage point off interest rates and traded in heavy turnover of 5.52bn baht, particularly in property shares, as the SET index cracked the key 900 resistance.

MANILA closed higher in spite of continued profit-taking, which are up much of the esssion's early gains. The composite index rose 10.43 1,091.36. HONG KONG Seng India rising 12.25
SEOUL, still dejected. composite index III lower at III tenth decline in the last

### ADRs gain popularity in the Netherlands

Ronald Van de Krol explains how Dutch companies are latching on to US markets

N A SUIVAL burst activity, three companies in the Netherlands — Amev, Ahold and Fokker — announced plans for new American Depositary Receipt (ADR) programmes this month, the direct of Dutch companies on US

stockmarkets.

Ahold, the hig Dutch food retailer, already had an ADR programme, but it deepened commitment by listing the ADRs on Nasdaq on April 8. Fokker, the airplane builder, and Amev, the insurance company, are newcomers to ADRs. Trading in Fokker's ADRs began on the over-the-counter market this month, with Amey scheduled to follow in June. The moves, while unveiled simultaneously, mart of a wider, more gradual rise in the use of ADRs among Dutch companies since the early 1980s. The nearly identical timing Amev, Ahold

release of pent-up demand fol-lowing the end of the Gulf War

than any special factors which ADR programmes

invest in foreign companies and at the same time to receive

acquired its fourth major US supermarket chain, said it decided to launch a full ADR programme to make it easier for its 55,000 US employees to invest in the company, Fokker and Amev wanted to meet growing US demand for their shares. None of the three has immediate plans to raise fresh

attractive, say, say,
There are now 23 Dutch companies with ADR
putting the Netherlands in second place in Europe after the UK and just ahead of Sweden. Because of their small home market Dutch companies have traditionally d ADRs III widen their shareholder base. ADRs enable US investors to

dividend cheques in dollars.

Apart from the usual

Ahold, which recently

only in dollar-denominated

in 1989 and 1990.

ZURICH communication on Sandoz, the chemical company, which aunounced the opening

tage over the registered stock. The Crédit Suisse index closed

PARIS had a busy start with about FF1500m traded in the first hour, concentrated on BNP, Michelin and Peugeot.

Receding hopes for lower interest rates, weaker bonds and concern that III market was

about to run into spate of rights issues pushed the CAC 11 1111 1271 lower to 1,185.74

in turnover estimated at about

FFr2.5bm.
BNP was the day's biggest loser, falling FFr40.40 or 14.4

per cent to FFr240.50 and was the day's second most active

with 542,425 shares

exchanged. The sall-off was

Ahold ...

**CBS Tendency Index** 102

through ADRs.
"Many US institutional

Share price relative to the

Mar 1991 Apr

shares. The ADRs allow us to tap a potentially large number of shareholders," says Mr Peter Glasbeek, Fokker's assistant

Most well-known Dutch companies, ranging from Philips to Heineken, already have ADR programmes of different sorts, varying from unsponsored pro-grammes to full listings on one of the US stock exchanges.

Mr Robert Murray, head of the ADR department at JP Morgan in New York, which is the depositary institution for the three latest programmes and for well over half of all Dutch ADRs, says at least six other Dutch companies are considering ADR transactions. DSM, the chemicals group, has already said that it may launch

a programme later this year.
One possible consequence of launching ADRs is that trading in the US can affect the level of a company's share price on the bome market. For example, nearly half of shares in Reuters, the UK-based financial information group, are held in the form of ADRs, which sometimes means that the share price is determined in New

York rather than London. This is not yet true of any Dutch company, though the potential exists. "If a programme is very successful, you're going to see trading in the US which could have an Holland," Mr Murray says.

But he adds that foreign stock markets man influences over share prices in other countries in any case. and an ADR programme merely makes that link more visible.

Ahold's move to the Nasdaq market helped boost its price in Amsterdam, at least temporarily, for tensors.

Strong initial demand in the
US led to buying Ahold's
Dutch shares for repackaging as ADRs. The company's US roadshows also kindled interest in the Dutch-listed shares from institutional investors who are able to invest in Ahold

in guilders. On April 8, the first day of Nasdaq trading, Abold's shares rose by F12.70 (\$1.42) to F186, increases sparked by its recent acquisition of Tops
New York-based supermarket chain, and by the rise dollar. Its shares later fell back, partly due to the resignation of a in the Netherlands. They on the day.

### Sandoz opens share register to foreigners

CORPORATE issues steered yesterday. Predictions of a further, although reduced, fall in German company profits in 1981 Was with manifolds tory 1990 results in France, and register to foreigners in Switzerland, Our

FRANKFURT was faced with
forecast of lower 1991 German corporate profits from
Deutsche Bank's investment research arm; Bundanbank decision to hold inverest rates; and a BASF board meet ing which held the annual dividend rate at DM13 a share. It was a little depres

Degab, which expects a fall of 1 per cent this year after one of 5 per cent in 1500. The will be followed by a rise of 8 per cent in 1992 . However, it sees Unfall concentrated in the motive, chemical and steel

Tan and chemicals are heavily weighted in the DAX index, which closed 10.07 lower at 1,613.76 yesterday after a fail of 1.46 to 684.55 in the FAZ at midsession. The interest rate decision did not surprise deal-ers but the BASF dividend ifted the period company's three from a day's low of close of DM251.30, up 60 pfg on the day. Turnover fell from DM8.2bn to DM7bn

Mr Michael Geiger, an analyst with County NatWest in London, said that County expects an increase in German corporate earnings this year corporate sarnings this year and next, to take the German market p/e down from 14.3, through 13.7 to 12.6. Degab expects banking, a very big sector, to rise by 11 per cent this year, County expects a far bigger improvement on the grounds that the banks not have to repeat provisions bond portfolio losses anything like the same

scale this year. Billinger & Berger, the con to DM900 after news of a deep discount rights issue yester-day. Mr Geiger said that the company would benefit from

### **SOUTH AFRICA**

JOHANNESBURG rose in JOHANNESBURG rose in trading trading. The all-chare index rose 8 to 3,004, the all-gold index added 13 to 1,081 and the industrial index put on 13 to 3,470. Vaal Reefs was steady at R186 while De Beers gave up five cents to R77.70,

Accor, the hotel group, dropped FFr21 at 11 per cent to FFr800 on fears of a rights The group denied a report that if planned to stake in the Belgian transfirm Wagons-Litz. Accor also postponed for a real days a financial news coneigners, a stock split and a rights that The registered fumped from SFr11,025, while the fell SFr550 to SFr11,350 on the last of their availability advanference planned for yesterday.

In the motor sector, Peugeot rose F978 F97546 on volume of 183,750 shares. The market warrelieved that the drop in car maker's earnings coincides with earlier warnings from its STOCKHOLM fell on higher

concerns about the impending first quarter reporting season. The Affärsvärlden index eased 1.2 to 1,087.9 in relatively high turnover of SKr406m after

SKr302m.
Electrolux free b shares fell
SKr5 to SKr224 following a negii report on the company in
a Swedish business magazine

MILAN continued to focus

FT-SE Eurotrack 100 - Apr 11 Hourly changes Day's High 1131.75 Day's Low 1122.34 Bass value 1800

on the insurance and banking sectors. The Comit index rose 3.77 to 598.70. 3.77 to 538.70.

Generali rose L600 to L37,940

and hit L38,350 after hours

white in the banking sector,

Mediobanca closed at L15,980,

up L200. Telecoms were also in

the limelight. Stet jumped L28

to L2,376 and Sirti was up L80

to L2,376 and Sirti was up L80

to Links Elsewhere, Cir, the holding company of Mr Carlo De Benedetti, recouped L35 L L2,645 after its recent weak-

AMSTERDAM closed weaker shead of the expiry of April options and intures today. The CBS general tendency index eased 0.5 to

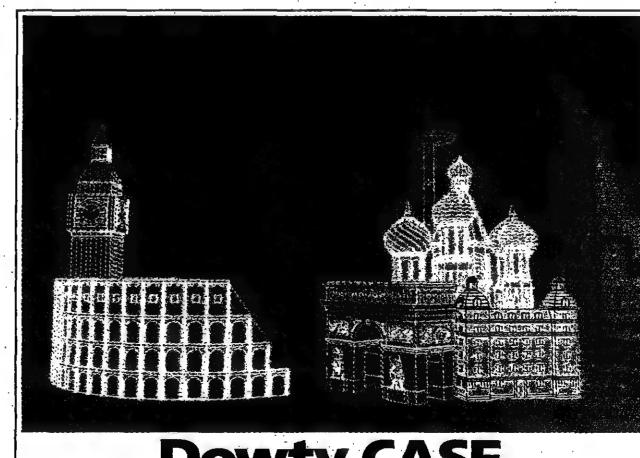
Chemical group DSM closed

going ex-dividend of F1 5.00 and paper maker KNF F1 2.50 down at F1 53.90,

Nedllovd was 50 cents higher at F153.80 after reporting a own forecast at FI 148.2m.

MADRID picked up slightly
in afternoon but still showed small loss at the end of a duli day. The general index closed 283.91, 0.20 down overall but slightly up from the close of pit trading. HELSINEI [14] another 1.7 per cent in moderate trade, blaming profit-taking as the Hex index fell 19.0 to 1124.1

after a 14.7 point decline on



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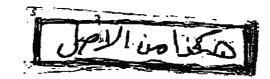
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NATIONAL AND DEGIONAL MARKETS WEDNESDAY APRIL 17 1991 Gross Div. Yield 116.22 177.17 116.83 204.07 211.41 102.77 106.47 102.77 106.47 120.21 195.75 202.77 786.1 762.56 117.57 184.72 184.72 211.46 212.10 107.37 101.92 124.57 131.84 144.31 170.74 2818.89 124.29 122.93 42.38 127.10 170.12 170.12 170.12 170.12 170.12 170.12 170.13 157.07 114,21 116,13 202,50 102,82 126,06 138,20 67,74 14,58 162,91 163,84 117.39 96.98 96.98 41.72 41.72 81.60.29 81.71 Australia (74) 123.17 99.34 131.28 146.17 71.74 125.65 125.67 89.34 76.41 247.15 2899.14 124.06 44.93 1128.40 +1.4 -0.2 +0.3 +0.8 +0.8 -0.7 +1.4 +0.9 +1.8 +0.3 +1.8 +0.3 +1.9 +1.8 +0.3 3.39 2.27 3.34 0.69 1.76 2.07 213.04 140.09 141.12 105.11 105.11 105.11 105.11 105.88 181.22 188.11 195.88 181.25 France (112) Germany (88) Hong Kong (4 Ireland (16)... +0.1 195.75 202.77 +2.7 736.1 762.56 +0.6 120.13 124.44 +2.3 41.66 43.16 +1.9 168.67 172.67 +1.9 167.51 +1.8 17.11 +0.4 161.66 +0.4 161.67 157.11 +0.6 151.57 157.11 +0.7 131.66 174.20 175.07 163.30 Sweden (27). 121.44 125.82 121.27 127.15 131.74 125.45 158.83 160.24 125.38 125.15 136.58 121.34 125.82 121.34 125.82 126.76 123.97 107.78 124.15 125.94 134.41 136.03 144.81 120.04 183.71 152.28 145.27 155.94 12.28 122.81 101.81 146.09 120.63 122.98 122.89 155.41 1 124.22 125.74 124.22 126.33 114 106.33 114 126.43 135.11 +0.2 +0.5 +0.6 +0.7 +0.8 +0.7 +0.6 +0.6 +0.7 +0.8 123.40 156.53 123.54 123.54 118.12 118.12 +0.5 +0.3 -0.6 -0.1 +0.7 +0.5 +0.7 -0.1 +0.2 +0.2 +0.7 3.82 2.07 1.02 2.17 3.09 3.14 2.23 2.52 The World Index (2295)... 4211 +0.2 123.97 124.41 129.58 135.12 +0.7 211 1411 1316 1417 135.21 1411 123.28 135.24 Copyright, The Financial Trans Limited, Goldman, Limit & Co. Let County Market Securities Limited.

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y US markets

100 - Apr 18

A STATE OF THE STA

- स्वक्रमाध्य

The state of the s that April's there." If the poet Browning were alive today, and happened to be a job-seeking manager, those famous words would not have been called forth by the beauties of brush-wood spheric alive the beauties of brush-wood spheric alive tree below and where words

forth by the behalfs, elm-tree boles

field have written them simple of relief that January, February

of relief that January, February

and March are over.

Never in the 32 years the MSL

International consultancy has been keeping count of executive jobs

advertised in leading British

ournals, has a first quarter

application of the standard of the standa

Jemand plumbed such depths.

The handiest indicator of the drop is MSL's index standardised on 1959 market levels as 100. The figure for the tiree months just ended was 79. The previous lowest for a January-March period — which normally sees the best demand in the calendar year — was the 93 recorded two recessions back in 1976.

back in 1976. More recent comparisons are summarised in the table alongside giving the tallies for the past five monthly periods ended on March 31. The figures represent specific jobs, each that comes on the market counting as one no matter how many times it is advertised. The quarter-by-quarter results are shown by the four bottom lines.

### Executive demand plummets to record low

may the last successively produced the lowest tallies since January-March being not much more than half the count for the first quarter of 1990.

The upper part of the table gives the whole 12-monthly periods'

II. dvipmnt

Sales I marketing

work

Total

Production

Accounting

Computing

April-June

figures, breaking them down into eight kinds of managerial and upper ranked specialist work ("others" include people such as buyers, economists, company legal staff and variegated consultants). Suffice it to say that not 1988-89 has any of the eight shown

UNITED KINGDOM ADVERTISED DEMAND FOR MANAGERS AND KEY SPECIALIST STAFF

(12 marris in Marris 31)

- 14.1 - 32.6 - 13.3

-38.5 -15.2

-11.0

-13.4

-15.8

-

32.058 -19.6

1000 1450 1450

Phone Change

+24.0 5,164 - 19.0

7,912 + 14.1

39.894 + 6.8

9,338 + 12.9

1.00

W.

10,915

87.6m

- 63

+31.5

- 55 - 53

- 2.7

an improvement on the previous 12-monthly tally, the only one with a single-digit percentage fall general management group.

There is similarly gloomy news,

Change adver- from

+15.8 3,710 + 0.7 1 + 19.8 1,117 +1\*

37,342 +13.7

170

\* H3.6

+ 1

1204

3,510

0.000

8.274

in 1990-91 being the more senior too, in the consultancy's separate counts of jobs advertised by four

adver- from

-42.0 - 5.0

+ 0.0

-12.0

-21.5

- 19.4

4.40

1 100

32,852

8,172

months, high-technology companies 1,743 posts, down by almost 23 per cent on 1989-90 and by nearly 57 per cent from the 4,009 peak the year before. Retailing's 647 tally was good 25 per cent down on and 45 per cent on its best of 1,185 in 1986-87. Food, drink and tobacco businesses advertised 687 jobs, ■ drop of almost 17 per cent from the previous 12 and 38 per cent than the 1 peak of 1,185.

Energy and related companies mercifully a bit different.

True, their latest 2,361 count was down by towards 15 per cent from the previous period, and by 36 per cent from the highest of 3,709 in 1985-86. But at least the most recent from the industry's figure isn't the industry's wird

Indire isn't the industry's will laded, it is no less than 96 per cent above the miserable 1.204 of 1986-87.

The only other [ast] news limit lurks in the figures is also of the "has been worse" kind, and does not abow up in the table. Leaving aside the 12-monthly results for the eight categories, and focusing on their quarterly results, I can see two brighter spots. In both

those for the rest of the categories, edged up on the October-December counts.

One was general management, with an 11.2 per cent improvement on the final quarter of last year. But it is the other, smaller ga only 5.3 per cent that I trust is the more significant.

For one thing, it is the second improvement of sorts in successive quarters. For another, It is in the marketing and sales group which, since 1959, has usually proved lead indicator of leading in the

So there is at least some ground for hope that overall demand will begin to move up from its 32-year nadir in this year's final quarter,

WHICH said, and jobs being will turn in on offer. In each case the headbunters are unable to name the employer, and promise lo honour applicants' requests not to be identified to their

clients at this stage. New York is the base of the first, being offered by Theo Stegers

of Recruitment Matters (15 Great Eastern London EC2A 3EJ; 1 071-377 London EC2A 3EJ; 1 1801). a manager for the \$40mturnover American arm of a British in Conferences, publishing and exhibitions.

Candidates need marketing skills, direct mail, besides week is profitably running an operation of at least broadly comparable kind.

Salary around \$250,000. Rest

negotiable.
Conversely, the second recruit will work for an American group but be based west of London. The job to many the executive-selection and assessment activities selection and assessment activities of a consultancy in management training and development, and is offered through Alan Rundle of Rundle Brownswood, 17 London End, Beaconsfield, Bucks HP9 2HN;

tel 0494 676264, fax 0494 670263. Although candidates must be occupational psychologists, they be proven generators and skilled all-round with a ability to plan as well as motivate the efforts of a small team.

of a small team. Salary plus incentive bonus around £40,000. Perks include car of BMW 520i standard.

Michael Dixon

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5,739

23.662

-24.4-32.3

-18.5

-26.2



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Gesamtunternehmens.

Wir denken bei der Besetzung dieser Position an einen Wernelmington actually mit erstklassigem Indianalis schluß, im Alter 🗠 🛶 Man Dreißig. Sie 🗺 einige Jahre Internehmensbereichen Unternehmensbereichen International agierender Firmen oder in Beratungsgesellschaften erworben. Sie zeichnen die durch bohen Sachverstand unternehmerischen Wehrlier mit eine geschliffene I was I was I was I was I was auf höchster Ebene sind Sie gewohnt. I Englischkenntnisse und Führungsqualitäten runden Ihr Profil ab.

Anforderungen an en richtligen sind allerdings auch eine gut Aufgabe, die mittelfristig Armani Entwicklungsmöglichkeiten Unit

Nähere Informationen erhalten 🚞 📶 Frau Christa Manhäus bei der von uns beauftragen Personalberatung.

bewerben \*\* sich direkt bei PA Consulting Group, Personalberatung, Benrather Schloßallee 99, Postfach \*\* 109, 4000 Düsseldorf 13, Telefon 0211/715027 mit Angaben zu Gehaltsvorstellung und Eintrittstermin. Kennziffer DT 1345.

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◆ be aged 23-28

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- be graduates and/or professionally qualified
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Looking ahead M 1992

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the crack team at Barchys Life, the funding gas pany in the Barchys Group. We want high-flyers. We want also pouglo nece. We're also happy to intercept testial, ambition, and the use of A die Wall give ou maining. And the support of over 2,700 high a other with a customer base that runs into mile Forget the rest of the page. Call 0000 303 308 mahou

delay and quote ref: FY1CT74 and we'll for to make a The brief from our client, the UK subsidiary of a leading International Bank, which operates highly successfully in all major expects of International Banking is to recruit 'quality stuff, strongly self-motivated, who can really make a difference'.

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Applications quoting appropriate reference, should include full ev indicating current remuneration package and these will be forwarded in confidence to our client. Please notify our Security Manager in a covering letter of any companies to whom your details should not be sent.

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The first task is to develop and agree with Komeroni Banka realistic and attainable commercial objectives for an investment banking division and produce a business plan for it. The second task is to help Komeroni Banka begin to implement this plan. The initial thrusts of the investment banking business are likely to be in corporate finance, especially related to the handling of privatisation business, and in institutional fund management (the establishment and operation of collective investment schemes).

Investment schemes).

You should have at least five years' experience in corporate finance advisory work, including new issues and privatisations, or in collective investment scheme operation. In addition, you should have knowledge of and an aptitude for start-up situations and an aptitude for organisational problem solving.

You should be a British Citizen and it will be an advantage if you can speak Czeck or Slovak. Alternatively, a good working knowledge of German will be helpful. More important than linguistic ability will be a capacity to perform effectively in unfamiliar surroundings in a situation of rapid development and change. Remuneration will be subject to negiotiation.

Suitable arrangements can be made for appointments whitst on leave of absence from a current employer. If so desired.

from a current employer, if so desired.

Availability to start work in Prague at an early date is a priority.

Closing date for receipt of completed applications is 29 April 1991.

Those interested should write, enclosing a detailed curriculum vitae, to Mr B

Roussin, Ref No AH354/BR/FT, Aberrormble House, Eaglesham Road, East Kilbride,

Glasgow G75 8EA, or telephone 0355 843172.

ODA is committed to a policy of equal opportunities and applications for this post are sought from both men and women.



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looking for a senior salesperson will a proven track record. The role will provide the opportunity to further develop our substantial international client base and will excellent prospects for the right person.

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Please contact Jill Backhouse or Peter Haynes All applications will be treated in strict confidence. No information will be disclosed without applicant's prior consent.

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position ameke a real contribution important area of the Society's operations. Benefits include an attractive basic salary together with car, concessionary moreogee facility, private health cover, permanent health insurance and contributory pension scheme. Relocation

essistance will be provided where appropri Please write with full c.v. and current salary details to: Mr W Walker MIPM, Personn Manager, Yorkshire Bullding Society, House, Westpate, Bradford, BD1 2AU.

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This is a new position with total responsibility for the development of diversifed deposit base. The person appointed will have several years experience in the specific area of Corporate/Personal deposit marketing within a treasury environment. An ability to sell and to work on your own initiative will be the key to success.

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Please write, in confidence, enclosing ■ Curriculum Vitae W

John Rowan, Anglo Irish Bank Corporation plc 2nd Floor, Moor House, 119 London Wall, London Wall 5ET

The closing date for receipt of applications is: Friday 3rd May 1991

Approximately Ap

**CHIEF ACCOUNTANT -**INTERNATIONAL BANKING DIVISION

Zambia National Commercial Bank Limited wishes to recruit a Chief Accountant for its International Banking Division in Lusaka, Zambia.

- THE RULE:
- Responsible to the Director of International Banking Division for a accounting/control functions of the Division.
- Control the foreign currency accounts of the Bonk with various correspondent banks.

Manage the foreign currency funds of the bank in a prudent and profession memory

- Supervise the reconciliations of nestro accounts of the bank.

- A graduate, ideally 35-40 years old, with an ACIB/ACA/ACCA qualification.
- . Have in depth experience in the accounting functions in the international banking department of  $\blacksquare$  commercial bank.
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- Be highly motivated with strong leadership and intellectual
- Be able to demonstrate first class technical and interpersonal skills.
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Remuneration package for this position include highly competitive salary, inducament allowance, company car and the other perks enloyed by expetriate staff in Zembia

All replies in confidence with full C.V., indicating suitability to the position advertised, and copies of academic/professional qualifications should be

> .....The Managing:Director, Zambia National Commercial Bank Limited, London Branch, 19/23 Moorgete, London - EC2R 6AR

To reach up before 31st Merch, IIIII.

### **ACCOUNTANCY COLUMN**

### Six items all financial reports should have

By John Roques

FINANCIAL reporting in UK is in the process of muchble evidence came last week when the Accounting Stan dards Board issued its draft proposals on the restructuring of profit-and-loss While welcoming that that II. ASB is taking a long

and intelligent in the many illustrations of limited reporting, I have some reservations about the measures in At the risk of being controversial, I would like a remind that I

reporting is simplicity. In my opinion, complexity should be confined to the nated to accounts. I believe that, while improved in many respects, the new profit-and-loss format pro-posed by the Accounting Standards Board is still 🖛 compli-

Accountancy (or more probably the art) of communicating financial information. Whatever information is reported, it is necessarily heavily summarised.

heavily summarised.

Earnings of summarised performance. It is indicator of corporate profitability, but more. Company directors and City analysts place too much emphasis on this one number, giving rise

for many and the distortions in company report-

and the control of t

ing.

In my spinion, companies should be obliged to present a series of simple measures that reflect the different aspects of the full innertal report, not just the profit-and-loss account, but also the balance sheet and rise, it rates or measures would be about the right num-

A key corporate performance will continue to be multipolity. Here there is to depart from the measure of earn-Users of account run to

know the return will receive from the company, and how safe that return is. That could be given either in terms of the per share or

dividend cover.

A see of profit of loss disclosure that of the return to the other providers of finance, the lenders. Again it is interest cover which is probably of greatest significance. bly of greatest significance, as it also gives a measure of the

Turning : Italian III items, we the level of capital employ the adequacy of the way the business is financed. The first of those could be measured in

possibly net tangible assets per priately summed up by disclosure of the level of gear-

That gives five measures and have suggested there should be six. far, I be profit-and-loss and sheet But I would recently the ered at last one of the most important areas of a company's

Most company failures occur

because a company runs out of itable companies as well loss-makers. Of course, a pany the makes it is supported by others, eventually run out of the and fail. It is essential that we accountants develop a suitable measure of the flow, equivalent to earnings

Something along the line of the ratio of gross cash flow to profit, or gross cash flows to net assets would probably be suitable. That should be the sixth disclosed measure. The last meaning in the

They should be over-complex. That is why I have reservations about the ASB's new profit-and-loss format. In most businesses, acquired companies and disposed com-

PROFIT AND LOSS ACCOUNT panies be no integrated, or were at least partly integrated with continuing their profit separately can only be arbitrary. In most businesses in every year As prest- Acquis- Opera-centy Em Rione Em Some Em

there are that that profit which will not whether those whether those in the continuous of extraordinary, no one sonably in there must disclosure of profit loss alone would be misleading, but the present proposal is Gross profit Distribution costs erating Profit coptional from - Loss on disposa to complex other hand, I strongly support the proposal for a new reflecting in the net than from new capital contributed. I would like to see that of discontinued operations of discontinued operations. Profit on ordinary activities Profit on ordinary activities a Minority interests

information on the profit-and-loss page in the accounts. Extraordinary So far as the balance sheet concerned, I worried about suggestions that II value. That could lead the profession back into the quagmire of current cost accounting. I would keep the balance sheet Profit retained for the year This is the central part of min profit and loss account

a straightforward liberthy cost basis. Other information il appears under last week's draft proposals from Accounting Sandard Board. This hypothetical example — Sandard from the ASB's document on the relevant on such and as value properties, or brands or infrastructure assets reporting of inability performance - illustrates how should provided companies would less in disclose Mill proportion of rately.
John Roques is managing partner of Touche Ross. and expenditure coming a continuing businesses and mean sold during the course of the year.

**ACCOUNTANCY APPOINTMENTS** 

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EXECUTIVE SELECTION

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an impressive track record of growth in recent years and prospects for further expansion both III home and our client is well and highly successfu UK contracting group with substantial overseas interests.

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information produced is an effective tool for managing the business. You will enjoy a high profile role, dealing with major City institutions and be heavily involved in acquisitions and the negotiation of major

Highly experienced, you will have operated within an international business at Board level for a number of mean and developed strong with City institutions, Good communication and management skills and the ability westablish credibility M a senior level are prerequisites, together with drive, enthusiasm and a commitment to 'teamwork'.

Candidates should write, including full career and salary details and quoting reference G/1151 to Susan Ryder. Applicants should also list those companies for which they do not wish to be considered, applications will be forwarded directly mount client. Ryder Ryder Executive Selection Division Price Waterhouse

Management Consultants Milton Gate 1 Moor Lane London EC2Y 911 Tel: 071-939 6343

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A graduate qualified accountant, probably in the age range 35-40, you must be will to demonstrate well

developed commercial and business acumen in addition to sound technical stalls. Ideally, you should have a background in high with with experience of controlling so/accounting functions in an effective and economic manner. You must be a "hands on" and enthusiastic person with the appropriate interpersonal sidils and personality to manage and withstand III rigours III a complex business actively gursuing considerable development and change.

Please send full personal and career leading including current remuneration level and daytime telephone number to Adrian Edgell, Coopers & Lybrand Deloitte 📷 Limited, 9 Greytrians Road, Reading R61 1JG, quoting reference AE836 on both envelope



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#### DONCASTER HEALTH AUTHORITY

## Director of Finance and Commissioning

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 Health Care needs of 293,000 residents of Doncaster Metropolitan Borough, with a budget for 1991/92 of £87m. The Authority is currently responsible for the directly managed Priority and Community Care Service Unit, providing for elderly, mentally ill and mental handicap patients, plus community N care services. Acute services are managed by a NHS Trust.

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The post calls for an experienced, qualified finance professional with well developed commercial and strategic skills, who strong leadership and motivation style, a shrewd but pragmatic approach, and a clear empathy providing soundly managed health service in where people come first.

 Applications should be made in writing with a full CV and remuneration details by Friday, 3 May, quoting reference R204 to Derran Sewell, Ernst & Young Corporate Resources, Lowry House, 17 Marble Street, Manchester, M2 3AW.

**ERNST & YOUNG** 

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Based in our London offices, you will be responsible for the preparation of all monthly management accounts, forecasts, budgets and associated analysis.

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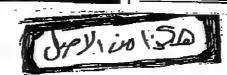
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In addition to the professional qualification, the successful candidates will possess excellent track records to date, a high level of motivation and commitment together with the analytical and communication skills which these high profile will or mouvation and currented the same of benefits will a offered together with a opportunity for excellent career development.

For further information please telephone or send your CV to Valerie Grassham, Joslin Rowe Vasculates (Financial Recruitment Consultants), File Court House, 11 Blomfield Street, London EC2M 7/AV. Tel 071 188 7287. Fax 071 382 9417.

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### JOHN DOYLE GROUP PLC

### Finance Director Designate

#### Herts

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Prospective candidates must be qualified accountants. preferably graduate ACA/ACMA (aged 28-45) with a successful track record involving experience of managing a finance function in commerce and industry. Individuals with relevant sector experience gained within the construction industry will be of particular interest. Above all, candidates must be able to demonstrate energy and commitment together with the confidence and presence to command respect both within and outside the organisation. In return the company offers a generous renumeration package, a committed yet sociable work environment and the scope for long term career advancement. Interested candidates should write enclosing a full curriculum vitae (including salary details and daytime telephone number)

c £35,000 + Car

and quoting reference LN 1661 to Gary Watson,
Regional Manager, Michael Page Finance,
Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA.

Michael Page Finance

International Recruitment Consultants

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c£35,000 + Car + Substantial Banking Benefits

As one of the world's leading and most respected merchant banks, our client is at the forefront of international financial services.

Reporting to the Head of Treasury Accounting, this role carries responsibility for a small team engaged in the reporting and analysis of the bank's bullion and money market activities, including derivative products. There will be extensive contact with both dealers and operations staff, requiring a clear understanding of the accounting procedures and systems necessary for trading new

instruments and the structuring of complex

Candidates, aged at least 30, will be graduate chartered accountants with previous experience within a well controlled banking environment. A mature approach together with excellent interpersonal and analytical skills are essential.

In addition to the base salary there is a particularly attractive bonus and benefits package.

Interested candidates should forward a comprehensive CV, quoting ref: 3501 to Jonathan Samuelson ACA, Executive Selection Division,

Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

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A truly stimulating and fast track international career together with a tax effective remuneration package awaits the successful candidate.

Interested candidates should contact either John Archer at Robert Half Brussels, Avenue Louise 382, 1050 Brussels or Ingrid Flannery/Charles MacLeod at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Alternatively telephone them on (010 322) 647 63 50 (Brussels) or 071-836 3545 (London). Please quote reference JA/749.

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SENIOR

MANAGEMENT ACCOUNTANT

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C.£37,000, Car & Benefits

Municipal Murual, one of the United Kingdom's top ten general insurance companies seeks an experienced Accountant to join a newly formed team preparing to move from Central London to Farnborough, Hampshire in July 1991.

Reporting to the Assistant General Manager — Finance, you will be joining a new dynamic and highly motivated team, who have been tasked with developing the finance function's support of the operational management. You will take prime responsibility for monitoring actual performance against budget and plan and in providing day to day financial advice to regional and head office management.

You will be fully qualified and likely to

MUNICIPAL MUTUAL

BACS provides an expanding Electronic Funds Transfer (EFT) service to our members, the major UK Financial Institutions and their corporate customers. Internal Audit is responsible to the Board within a high security organisation where the work of Internal Audit is accepted as a key factor in maintaining a scente and cost effective EFT service. This is a unique opportunity to join the largest Automated Clearing House (ACH) in Europe.

### Senior Internal Auditor

The Department has a high profile and staff are expected to deal competently with senior management. The work is both challenging and varied. Due to the continued expansion we are looking to recruit additional senior staff whose duties will include responsibility for major operational audits and also the review of large new systems (experience of ICL and Tandem mainframe systems very desirable) under development. The successful applicant will also be expected to contribute in a positive way to the continued development of

the department. We are looking for a minimum of 8 years' general internal auditing experience with at least 3 years' experience in the area of major Systems Development Life Cycle audits. You will have had demonstrable experience at a senior level either in the private sector or in central/local government. You will be a graduate of a university within the EEC and hold the qualification of the UK Institute of Internal Auditors (MIIA) or Chartered Institute of Management Accountants (CIMA). To fit into the existing train

Excellent benefits include: Non-contributory Pension and Life Assurance Scheme

you should be in the age group of up to 40.

· House Purchase Scheme (after qualifying period)

Relocation Assistance
 Over 5 weeks annual holiday

· Subsidised Staff Restaurant · Profit Sharing Christmas Bonus Payment - Sports and Social Club

For an application form, please contact Karen Wyatt on 081-95176% or write to her at: BACS Limited, Freepost, De Havilland Road, Edgware, Middlesex HAB 5BR.



c.£25,000

plus banking

benefits

Price Waterhouse



EXECUTIVE SELECTION

### Financial Controller

c£30,000 + BMW 5 series + bonus Weybridge

With the backing of a large number of blue chip organisations, this dynamic young company is set to make a major impact in the electronic market place for the financial services industry. Recognising the need to establish a strong finance function at an early stage in its development, it seeks to recruit an ambitious and commercially minded accountant who, as the senior finance member of its management team, will play an active role in determining the strategy

and future success of the company. Responsible for implementing appropriate financial and management

reporting systems, budgeting and forecasting procedures, you will also be expected to contribute at a strategic level and will have regular contact with Board members. This high profile and wide ranging role includes liaison with banks and other financial advisors, company secretarial duties and a variety of ad

A qualified accountant with at least 2 years' post qualification experience, ideally in industry or commerce, you will be a competent user of PC based accounting systems and have played an active role in the budgeting and

planning process. With drive, energy and a flexible approach to work, you will also possess the strong communication skills and maturity necessary to establish credibility quickly at a senior level.

Interested candidates should write, enclosing full CV and salary details and quoting reference B/1152, to Susan Ryder **Executive Selection Division** 

Price Waterhouse Management Consultants Milton Gate, 1 Moor Lane London EC2Y 9PB Tel: 071-939 6343

ROBERT HALF Financial Recruitment Specialists

**FINANCIAL TIMES** 

INVITE YOU TO A FREE EVENING SEMINAR

### RECRUITING ACCOUNTANTS IN TODAY'S JOB MARKET

A Practical Guide to Effective Recruitment

IN LONDON ON TUESDAY 30TH APRIL 1991 AT THE SAVOY HOTEL, STRAND, LONDON WG2. 7.00PM-9.00PM. REFRESHMENTS FROM 6.30PM

IN BRISTOL ON THURSDAY 2ND MAY 1991 AT THE BRISTOL MOAT HOUSE HOTEL, VICTORIA STREET, BRISTOL. 6.30PM - 8.30PM, REFRESHMENTS FROM 6.00PM

This seminar is designed specifically for finance managers who recruit once or twice a year and is almed at eliminating costly recruitment errors. There is a logical, pragmatic way sance the chances of selecting the best person for any

If you have ever made a recruitment mistake consider the

Did you analyse the job properly to start with, and therefore attract appropriate candidates?

Did you use your recruiting sources with due care: briefing contacts properly and eliminating inappropriate candidates?

Did you fail during the interview to secure the relevant information on which to base a rational and intelligent decision?

· Did you check references? How?

The seminar covers the following points:

· ANALYSING THE JOB TO BE FILLED PREPARING THE JOB DESCRIPTION

 RECRUITMENT ADVERTISING EVALUATING THE CV

THE INTERVIEW - PROBLEMS AND PITFALLS

 HOW TO ASSESS THE CANDIDATE REFERENCE CHECKING

 MAKING THE OFFER Stephen Barraclough, Finance Executive, Marks & Spencer

Refreshingly clear overviow that brings you back to the

Carmel Ryan, Personnel Manager, Lyons Tetley "Very useful evening, even for Personnel"

Richard Piper, Director of Financial Services, Logica "Both entertaining and informative"

Ian Freeman, Financial Controller, Black & Decker "Very good, well expressed seminar which was definitely worth

Jim Whitfield, Director of Financial Services British Steel

plc "Time well spent, very useful refresher course. Excellent"

Peter Knight, Group Chief Accountant, Willis Corroon "Most impressed. I look forward to the next one"

If you wish to atland the Evening Seminar in London, please write to Rochelle Naison at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OHR. Telephone: 071-836 3545. If you wish to attend the Evening Seminar in Bristol, please write to Jackie Brassington at Robert Half, Preepost, 33 Wine Street, Bristol BS1 2QX. Telephone: 0272-252572.

### FINANCE DIRECTOR

### **Southern England**

to £50,000 plus benefits

This is a very well-established private company with extensive construction and property development interests covering the whole of the South of England. The company which designs, builds and renovates to award winning standards, has grown steadily, and future expansion plans include a further acquisition.

The Managing Director needs a Finance Director to bring commercial flair to the accounts department and to produce high quality management information for the Board. The position will support the Managing Director in the running of the company, and bring

The successful candidate is likely to be a chartered accountant aged between 35-45 with several years' commercial or industrial experience, at least some of which will be in the construction industry. The Managing Director is looking for an assertive, clear-thinking individual who can demonstrate business acumen and success in a challenging environment, interested candidates should send a curriculum vitae, quoting ref: 3202, to Vivienne Hines, Touche Ross Executive Selection, 5th Floor, 52-54 High Holborn, London WC1V 6RL.



### GROUP FIN. CONTROLLER

Derbyshire

c£33,000 + Car + Benefits

Our Client, a substantial and expanding energy based PLC, are seeking to recruit a Group Financial Controller to join their small Head Office team.

The role will include responsibility for reviewing divisional budgets, preparing consolidated group budgets, monitoring ongoing performance and analysing and highlighting variances. The successful candidate will work closely with divisional management to resolve problems and to capitalise on opportunities. Other tasks will involve the appraisal of capital expenditure and involvement in ad hoc projects, including business acquisitions.

Reporting to the Group Financial Director, the successful candidate will be a fully qualified Accountant with several years' experience of working in a sophisticated financial planning and control environment based in the corporate head office of a sizeable group of companies.

Candidates will have good communication skills with the ability to prepare and deliver highly professional presentations to senior management. Needless to say, they will have excellent financial analysis and PC skills, rogether with a sound business acumen and high degree of flexibility.

A generous compensation package is offered, with a good basic salary, executive car and other benefits. Candidates should write in confidence, enclosing a comprehensive CV and quoting reference number N/094/91 to Jeff Allen.

**KPMG** Executive Selection

St Nicholas House, 31 Park Row, Nottingham, NG1 6FQ.

### FINANCE MANAGER

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### £30,000 - £35,000 plus benefits

Saga Holidays is part of the Saga Group of Companies, located in Folkestone. The Saga Group is the market leader in travel for the over 60's with markets in UK, USA and Australia.

Reporting to the Finance Director, the Finance Manager will play a key role in the running of the Finance Division as well as taking a pro-active role in providing financial reporting, budgeting and planning support to the customer led operating management.

Candidates must be qualified, have a good degree, commercially minded but with sound understanding and experience of financial controls and analyses. Personal qualities and communication skills are essential.

To apply please send full personal and career details including current salary to: Mr Dinesh Upadhyaya, Finance Director, Saga Holidays Ltd.

The Saga Building, Middelburg Square, Folkestone, Kent CT20 1AZ



FINANCIAL TIMES

INVITE YOU TO A BUSINESS BREAKFAST

### THE SELECTION INTERVIEW

- Getting It Wrong and Getting It Right

IN LONDON ON TUESDAY 14TH MAY 1991 AT THE SAVOY HOTEL, STRAND, LONDON WC2 8.30AM-9.30AM

IN BIRMINGHAM ON TUESDAY 21ST MAY 1991 AT THE BIRMINGHAM BOTANICAL GARDENS, WESTBOURNE ROAD, EDGBASTON, 8.00AM - 9.15AM

This Breakfast is designed specifically for finance managers who recruit once or twice a year. The talks will be given by Professor Clive Fletcher of Goldsmiths' College, University of London, and will cover:

- Where and why interviews go wrong
   Good practice in selection interviewing
   New developments and advances in interview methods
- The interview from the candidate's perspective .. How valid is the interview compared to other asse
- . Who makes a good interviewer: selecting the selectors

Professor Clive Fletcher was for seven years a consultant psychologist in the Civil Service before moving to Goldsmiths' College, University of London, where he is currently Professor of Psychology. Professor Fletcher has been involved in research and teaching in the field of managerial assessment and appraisal for twenty years. He has written many articles and several books on assessment, including "How to Face the Interview." He is also on the editorial boards of several journals, including Personnel Management. Professor Fletcher's present research interests include the influence of candidate impression management tactics in interviews.

If you wish to attend the Business Breakfast in London, please write to Rachelle Nelson at Robert Half. Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Telephone: 071-836 3545. If you wish to attend the Business Breakfast in Birmingham, please write to Elaine Shepherd at Robert Half, Freepost, BM2460, 63 Temple Row, Birmingham B2 4BR. Telephone: 021-643 1663.

### Project Financing Manager Major Industrial Group

City

c£37,000 plus excellent benefits

Our client, a 'top 100', capital intensive business, is implementing an ambitious, far reaching capital expenditure programme and a Senior Manager is now sought to assume control of medium/long term project finance proposals.

Reporting to the Group Treasurer, you will assist in the development, recommendation and arrangement of project, capital and term funding activities. Additionally, you will be involved in lease negotiation, the management of applications for

government grants and the provision of Treasury input to ad hoc projects.

Probably in your 20's or 30's, you must demonstrate experience in project financing with an appreciation of the legal and taxation considerations in this area. Ideally, you will possess an accounting or treasury qualification; an MBA would also be an advantage.

For a strictly confidential discussion please telephone or write to Richard Chandler or Geoffrey Mather quoting reference 1392, at FLA, 16 Old Bond Street, London, WIX 3DB. Tel: 071-491 3811.



### CONTROLLER FINANCIAL

Our client, South Western Electricity plc, is one of the country's 12 newly privatised Regional Electricity Companies and its licensed area covers the South West of England from Bristol to Land's End. With 1.2 million customers, 5,600 employees and a turnover exceeding £700 million, the Company is one

of the South West's major pic's." At such a time of dramatile change reputations are to be won, strategies are to be implemented, and strugtures and systems are to be put in place. The Company intends to appoint a Group Financial Controller to substantially Support the Finance Director in most of the key financial functions. The controllership fugiction is the source of all financial information in the Company where the drive is for excellence in internal and external reporting.

A key pre-requisite is the ability to balance the Company's

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AMSTRAD

Package c.£50k traditions of strong financial control with its intention to be known for the excellence of its service quality."

Candidates will be graduate Chartered Accountants who trained with a major international accounting. firm. They will also have had relevant "hands-on" controllership experience In a UK-pic. Experience of the Electricity industry is not recessed more important is an enthis playing a vital role in the confe of the business into a thriving pic ... and an authentic belief that mod controllers can establish a unique vantage point from which to play a highly pro-active role in the improvement of profits and cashflow Pleasificence your CV in epplication to

Adrien Whetie ACMA AGIS Wheele Thomas Hodgins Pla 9 Unity Street College Gree



### TREASURY PROFESSIONAL

Amstrad has generated spectacular growth in recent years with the introduction of new and innovative products and by widening the market in which they are sold. A strong emphasis has always been placed on a policy of flexibility and speed of response which has played an important part in its success to date. The company is now an established multi-national company with a turnover of £600 million and 1000 employees.

A Treasury Professional is currently being sought who will be responsible for the centralised treasury function of the Group and managing all foreign exchange requirements. Other responsibilities will include management of short term cash positions, the day to day liaison with banks and forecasting longer term cash flows.

The position reports directly to the Group Finance Director and will be closely involved in setting treasury policy for the Group.

The successful candidate will be a professionally qualified accountant with experience in multi-national treasury management. Strong communication skills are essential for the individual to build a sound working relationship with banks and with the subsidiary and Group management.

The position commands a first class remuneration package, including company car and benefits.

Interested candidates should send in complete confidence a detailed curriculum vitae including current salary and daytime telephone number to:

Mr. Peter Thoms, Group Finance Director, Amstrad plc, Brentwood House, 169 Kings Road, Brentwood, Essex

## OMMERCÍAL DIRECTOR

N. West

Our Client is an autonomous subsidiary of a major plc, manufacturing specialised industrial materials. An on-going commitment to research and development continues to keep the company at the leading edge of technology. With a current turnover of £lóm and 250 employees, the business is growing and profitable.

The company wishes to appoint a commercially orientated Financial Director to head up the finance function as well as the LT. Purchasing and Planning Departments. Working closely with the MD, the Financial Director will play a pivotal role in the day-to-day running of the business and its strategic development.

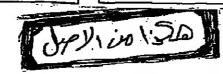
Candidates should be qualified Accountants (ACA, ACMA, ACCA) with a proactive personality and real interest in manufacturing industry. A proven commercial track record is as important as technical ability and man-management/motivation skills are a

In return the company can offer a salary in the region of £35,000, a profit-related bonus scheme and company car. Relocation assistance may also be available if appropriate.

Please apply directly to Angela Wright at Robert Half, Freepost, Brook House, Spring Gardens, Manchester M2 8BA. Telephone: 061-236 0101, or evenings on 061-434 8429, Alternatively, fax your details on 061-236 1024.

Financial Recruitment Specialists London Birmingham Windson Manchester Bristol Leeds Southampton · Wolverhampton Brussels New York and 152





FINANCIAL TIMES FRIDAY APRIL 19 1991

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### Group Taxation Adviser — Plc

c£50,000 + quality car + executive benefits North London

> Our client is one of Britain's most successful blue chip engineering companies with substantial interests in North America. With a commitment to research and development, investment in advanced manufacturing processes and closely focused marketing. the company has maintained a strong record of progress through organic growth and acquisition.

> Reporting to the Group Finance Director, the Group Taxation Adviser will have overall responsibility for the management and direction of UK and overseas tax planning and compliance. The role demands a comprehensive technical understanding of corporation rax, VAT and income tax in relation to benefits-in-kind and share options. A working knowledge of North American and principal European tax systems is estential, as is recent acquisitions experience within North America

> The successful candidate, aged late 30s to mid 40s, will have had a Revenue or accountancy training (Inspector FT/FCA/ATII) followed by a minimum of five years' industrial/commercial experience. A positive personality, he/she will be able to establish a rapport with management at all levels, and be capable of rationalising complex legislation to convey practical and persuasive

In addition to an attractive remuneration package, full relocation support is available where appropriate.

Search and Selection

Please reply in confidence, quoting career history and cu salary details, to David Kennedy or Jeff Adacde. Clark Whitehill Consultants Limited, 25 New Street London, EC4A 3LN. Telephone 071 353 1577.

South London

### Financial Controller

C £32,000 + car

Our client, part of a major PLC, is at the leading edge of the communications sector. To support rapid business growth, it has made a significant investment in restructuring its systems and financial disciplines and now wishes to appoint a Financial Controller responsive to the developing

Reporting to the Finance Director and supported by a small team, he/she will be responsible for all aspects of financial control. A key task will be supervising the Implementation of a recently introduced "Millenium" computer package of nominal, bought and sales ledgers. As a member of the corporate management team, the successful applicant will also direct the development and enhancement of MIS reporting, and assist in the evaluation

of acquisition and new venture proposals. Probably aged 27 +, a qualified accountant, preferably a graduate with marked leadership qualities, a flexible attitude to problem solving must be combined with commercial awareness and the perseverance and commitment necessary to translate decisions into action. Ideally experienced In the communications or services sector, and certainly PC literate, hands-on

experience in a well developed computerised environment is essential. This highly responsible role provides the opportunity to make a significant

group and offers.excellent career prospects.

Please send a detailed CV quoting reference CD402 to: Executive 2000, Sutton Park House, 15 Carshalton Road, Sutton, Surrey, SM1 4LE.

#### FINANCIAL/MANAGEMENT ACCOUNTANT

group placed among the top leaders in French and European transport companies, the English subsidiary - five offices in United Kingdom, more than sixty qualified employees - proposes a complete range of services in groupage, full loads/part loads. clearance/storage/distribution and fiscal representation. Working closely together with the managing director, this responsible role will include management accounting systems implementation: preparation of half yearly and statutory accounting, bud-

geting, capex monitoring, forecasting

London West - Attached to a and systems review, supervision of staff including the responsibility of the computer department, day-to-day operation of the accounts department, monthly management report. You will be a qualified accountant or graduated from a business school and will have at least three years' working experience with an industrial or commercial company, as a financial accountant or controller. Please send a CV in full confidence to F. PHILIBERT reference A/3275FT - PA Consulting Group - 78 bà du 11 novembre -69626 VILLEURBANNE Cedex -France - Tél. 33.78.93.90.63.

> PA Consulting Group Creating Business Advantage

### **DUBAI PORT AUTHORITY FINANCE DIRECTOR**

The combining of the two major ports in Dubai into a single administrative entity has resulted in the establishment of a new appointment of Dubai Port Authority Finance Director.

The Finance Director will report directly to the Managing Director on all matters of finance and will create and control The Authority's financial policy under established guidelines.

This senior post requires an experienced person with an established international record of major financial management. A knowledge of marine and port management, Arabic and previous overseas experience would be considered an advantage. Salary is negotiable. Usual expatriate benefits including accommodation, medical, car and gratuity are available.

Written applications, including full CV, to Box H8444 Financial Times, One Southwark Bridge, London SE1 9HL



#### JOIN THE TEAM

The Finnish based Nokia Group is one of Europe's largest electronics groups with manufacturing and sales in most European countries.

The 1990 worldwide net sales were over 6 billion US dollars, with an average of 37'300 employees. The innovative product range covering colour TVs and monitors, microcomputers and terminal systems, mobile phones, digital telephone exchanges and telecommunications networks, cables and cable machines, car tyres and chemicals for the forest industry has earned us market leadership in many sectors.

Our Corporate Internal Audit, located in Geneva, now has openings for

### **INTERNAL AUDITORS**

whose role is to plan and perform operational audits in the European and overseas

The focus of this team effort is on systems efficiency and adequacy and effectiveness of internal management controls. Our ideal candidates have a degree in

### **BUSINESS ADMINISTRATION**

(lic. oec., HWV or equivalent)

and 2-3 years experience in either Internal or External Auditing

Personal characteristics:

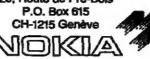
Between 25 - 35 years of age and either a Swiss citizen or the holder of a valid work permit. Conceptual, business oriented with the drive to succeed. Command of written and spoken English and good interpersonal skills are mandatory.

The auditors are expected to travel about 200 days per year. These positions offer a stimulating opportunity to develop your professional knowledge and are a training ground for further positions within the Nokia Group.

If you are interested in joining our team, please send your curriculum vitae quoting «reference Internal Auditor» to:

**NOKIA SARL** 

(Consulting) Mr. W. Kronenberg 20, Route de Pré-Bois P.O. Box 615 CH-1215 Genève



◆ Motorola employs over 100,000 people worldwide

◆ \$11 billion global sales ◆ A world leader in semi-conductors and communications products + expanding European

**MANAGER-**

EUROPE

operation currently employing over 10,000 CO-ORDINATION people in 28 companies & Key Objectives: Total Customer Satisfaction - Quality-Intelligent Innovation

### Slough, Berkshire

At our European Corporate Headquarters in Slough, we're now adding to the tax team with this new post which reports to the European Tax Manager.

This post brings responsibility for managing the European-wide compliance effort in response to local and US return requirements. The role also offers significant opportunities for participation, as a large sam player, in the development of tax strategies which much the challenger of our rapid growth in Europe.

We're looking for a qualified Accountant ideally span a degree, although other equivalent qualifications would be accepted. Fluency in English is essential and characterist.

fluency in another European language is desirable. For It also need at least 5 years' post-grantification experience international tax and commercial experience in the state of the state

advantage.

You can expect an attractive mind salary and benefits package which, with our determined commitment to the development of all our people, will yield long term real growth for the true contributor.

Please write to the Entropean Tax Manager, enclosing a full c.v., at Motorola Corporate Officer, 110 7

a full c.v., at Motorola Corporate Offices, 110 Bath Road, Slough, Berkshire SLI 3SX, or fax to 0753 37420.



### MANAGEMENT ACCOUNTANT

circa £24,000 pa plus car Oxford

> The company is a leading international publisher of scientific, technical and medical journals and major reference works; its prestigious list covers all the major fields in science and medicine. Now entering a major period of change, the company is looking for a Management Accountant who will be able to cope with the demands and challenges which this will entail.

> Reporting to the Management Accounting Manager, you will be responsible for a team of six, some of whom are studying for accountancy qualifications. The Department makes extensive use of mainframe and micro computers in producing all monthly reports and forecasts. Your role is to ensure not only that all reports are accurate and provide the required information, but that they are timely and professionally presented. You will also have the opportunity to become involved with on-going reviews of departmental systems, policy and practice, where your creative

We are looking for a newly or recently qualified accountant with substantial spreadsheet experience, who has benefited from working within a large company. You should have the ability to work with and through others to influence them and be sensitive to their needs, whilst achieving your own objectives

Interested? Write in confidence quoting ref: 87633 to Ruth Isaacson giving full personal and career details stating clearly any companies to which you do not wish your application

LAVERY ROWE ADVERTISING LTD

Specialist Recruitment Division 69/71 Newington Causeway, London SE1 6BD

#### FINANCIAL CONTROLLER LONDON

C. £33,000 + CAR PROPERTY

Following a major reorganisation of its financial management systems this West End based property group comprising listed investment company, surveyors and valuers, and private companies seeks to appoint a financial controller who will report at board level and lead an existing accounts team.

You will be a qualified accountant, age 30-35, with previous experience in this sector. The role will require a comprehensive understanding of property management accounting, both for tenants and landlords, as well as a good knowledge of the financial accounting requirements of listed and private property companies.

Using an integrated accounting software system designed for property companies and managing agents, you will be responsible for the supervision and control of the accounts department, and the management and financial information produced by it.

Candidates with appropriate experience should apply with detailed CV in strict confidence to:

Julian Synett FCA c/o David Lewis & Partners,

76 Gloucester Place, London W1H 4DQ

### **DIRECTOR OF FINANCE**

Quoted Company - S.W. London

A.C.A./F.C.A. ONLY (35-40)

Package to £55,000 Prestige Car

Northamber is the UK's largest high volume wholesale I.T. distributor with fully computerised management information systems and an exceptional record of strong sustained growth.

The role encompasses all the normal financial controls with full responsibility for the continuing growth and ongoing improvement of the company's internal management systems. Additionally, the role will also involve active participation in the company's development strategy.

The successful candidate will be either an ACA or FCA and already possess and have proven a very high level of commercial awareness in addition to the usual expected skills. Some previous FMCG experience would be helpful.

Please reply to D. Michaels Northamber plc, Lion Park Avenue, Chessington KT9 1ST

Fax: 081 391 4739 Tel: 081 397 3060

### **EUROPEAN ACCOUNTANT**

U.S. Semiconductor firm seeks European Accountant for Brussels office. Responsibilities include financial reporting, expense & payroll review, collections, and consolidations. Requires: English, (French and/or German would be asset), univ. accounting degree, European accounting standards, and 3-5 yrs related experience. Please contact Mr. Schaldach at ALTERA, Ave de Beaulieu 25, B-1160 Brussels, sending c.v., availability and income history.

### FINANCIAL TIMES **EUROPE'S BUSINESS NEWSPAPER**

désire vous faire part d'un accord publicitaire avec

LES ECHOS

le quotidien de l'économie le plus important en France. Une annonce dans le FINANCIAL TIMES et LES ECHOS augmentera de façon substantielle l'impact de votre message sur les cadres dirigeants en Europe.

Chaque semaine les annonces paraîtront dans les Echos le mardi et dans le Financial Times le mercredi (le vendredi dans l'Edition Internationale du Financial Times). Pour de plus amples renseignements, veuillez

> contacter: STEPHANIE SPRATT 071 873 4027

> > **FINANCIAL TIMES**



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### **REAL AND FULL BUSINESS INVOLVEMENT**

Many advertisements claim the above. Our client can substantiate this claim through a role which demands a proactive commercial input and creative

As Finance Manager of a Little Time within a profusible Division of a fabillion turnover brand same you will enjoy the following responsibilities:

• reporting to the Branch Manager, you will provide overall limitacing direction and control through 10 staff a high profile rais within the

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Branch Management man influencing commenced decisions and strategic business plans a wider involvement within the

Divisional Finance team and the opportunity to play a key role in important developments there.

As a young qualified Accountant (likely age 28-35 years old), your high level of financial integrity and technical ability is taken as read. The essential attributes which this apportunity demands include:

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an according to particle, but diplomatic presence which will command comment at respect both within the Branch Managerment tentiand up to Group Main Board lave.

an initial arresponded to business development and an arrespondent to promote your grant indeas (as well as objectively available those of once any presence.

a determination to progress within the organisation.

The position may be based in either

The position may be based in either Bristol or Middlesex, dependent on the candidate, who will travel regularly

If you are interested in this exceptional career opportunity you should write to Karen Wilson, Director, as soon as possible at FMS, 14 Cork Street, London WLX 1PF, enclosing a recent CV and note of current salary.

Bristol/Middx £26-32,000 pa + Car







HAYMARKET consultants

WWF-World Wide Fund for Nature is helping people to become more aware of the urgent need to protect the natural environment. The management of available resources in the pursuit of the conservation mission must be as effective and economical as possible and WWF UK wishes to strengthen its central Directorate by appointing a

### DIRECTOR OF FINANCE AND SERVICES

Up to £42,000 plus car. Surrey based.

The successful applicant will bring strategic direction to the management of financial affairs, information and database systems, and the administration of property and equipment. Day-to-day management of these areas is handled very well by existing staff. The Director will be expected to meet additional challenges which will include:

fully utilising the tax advantages relating to charity status

 ensuring that innovations in information and database technology are appropriately utilized.

Candidates must have an accounting qualification, substantial senior management experience and the ability to motivate people in a variety of functions. A full understanding of taxation (particularly in application to charities), and the ability to take advantage of developments in the information and technology field are essential.

Remuneration will include a salary of up to £42,000, car, individual pension, and accident and health insurance.

Please write with a full CV to Bianca Coulter, Haymarket Consultants, Pepys House, 12 Buckingham Street, London WC2N 6DE Response will be treated in strictest confidence. Closing date: 3rd May 1991.

### THE GUY'S AND LEWISHAM TRUST Guy's Hospital



This is an exciting opportunity to make a major contribution to this large prestigious London Teaching Hospital, which has an annual income of £62 million and over 3000 staff. As part of one of the first NHS Hospital Trusts, Guy's intends to develop, maintain and enhance the provision of local and specialist services to health care purchasers across

We are looking for a qualified accountant of outstanding calibre. As a full member of the Hospital Clinical Management Board and reporting to the General Manager you will be responsible for the overall finances of the Hospital and must demonstrate a flexible approach to financial management in a devolved setting. Operating in a complex and rapidly changing service environment and working closely with the Trust Finance Director, you will also take an active role in developing the Trust corporate financial

For an informal discussion please contact Karen Caines, Guy's General Manager on 071-955 4164 or Peter Burroughs, Trust Finance Director on 071-955 4846. ■

For application details please contact Yvonne McIver, Acting Director of Personnel, Guy's Hospital, St Thomas Street, London, SE1 9RT. Telephone 071-955 5000 ext 5044. Closing date: 3 May 1991.

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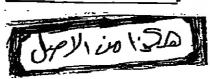
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